

**INSIDE: The cast of John Turner's election cabinet**

# Maclean's

JULY 9, 1984

CANADA'S WEEKLY NEWSMAGAZINE

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## The Plummeting Dollar



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# Maclean's

JULY 5, 1994 VOL. 97 NO. 28

## COVER

### The plummeting dollar

When major U.S. banks again began pushing up interest rates last week, they dealt a blow to the Canadian dollar. Not even another increase in the Bank of Canada's interest rate prevented the Canadian currency from crashing to record lows. Last week's actions will likely lead to increased living costs for most Canadians.

—Page 26

COVER BY MICHAEL O'NEILL



**Pulling back from the brink**  
European Community leaders agreed on an interim solution to their budget dispute. But they also raised new questions about a chronic financial crisis.

—Page 35



### The rebel artist in exile

With the publication of his major, semi-autobiographical epic, *The Kingdom of Heaven's Son*, Czech exile Josef Hvorecký returns to the national spotlight.

—Page 46



### Turner's interim cabinet

Filled with faces from the Trudeau era, the cabinet that John Turner named last week lacked both new talent and strong western representation.

—Page 5



### Britain's sporting summer

The 197th Wimbledon tennis tournament, in which Greg Rusedski lost in the third round last week, is the brightest jewel in Britain's glimmering summer.

—Page 22

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## Liberal thoughts

The tributes to Pierre Trudeau, now that he is finally going, are a shame (4 credits to the Trudeau legacy, Cover, June 28). Trudeau was an arrogant and self-serving Prime Minister, a leader of extravaganza and incompetent governments. His regime was more divisive than unifying. Does legacy?

—RONALD HILL,  
Peterborough, Ont.

Liberal delegates, how would you? We watched with interest the TV coverage of the Liberal convention and wondered how Canadians could reject the intelligent, dedicated, personable, sincere and, above all, intensely loyal Jean Chrétien for one who ripped out, left the cabinet, made his money and now has the selfishness to jump back into politics (Turner faces the future). Never mind. For 16 years you had a great Prime Minister, Pierre Trudeau, who was a mix of anti-Buguese and anti-English, a leader who put Canada and Canadians on the map.

—D.J. JACOBSON,  
Ann Arbor, Mich.

That the Liberals could choose a man like John Turner over a man like Jean Chrétien after being led as long by a man like Pierre Trudeau is a regrettable incident in Canadian history. It will remain a mere incident because the electorate will soon severely punish the Liberal party.

—MICHAEL C. COLE,  
Montreal

## A change of tune for Sudbury

New you're done. It. You have just exposed what we call "Ontario's best-kept secret." I refer, of course, to all the



Trudeau: putting Canada on the map

things and people that make Sudbury such a great place to live. In all seriousness we thank you for the recent article. Sudbury's rebirth. *Fortunes* (Ontario, March, June 4) and *A Sudbury revival* (Ottawa, June 11). We hope that they will go a long way to help shape the distorted images of Sudbury that have been created by the media.

—FRANK WOOD,  
Major,  
Sudbury, Ont.

## Amiel: the need for homework

If feminist-busting Barbara Amiel wishes to establish any sort of credibility, she ought to do her homework (*Paranography as a feminist tool*, Column, June 17). *Paranography and Violence*, a University of Manitoba study, found a positive correlation between pornography and violence. I could forgive Amiel's research methods but I find it morally reprehensible that by implying women "in" scientific data she takes it upon herself to accuse those of us attempting to scratch the face of violent pornography of wanting to "banish anything we do not like" and to promote "war views of how people ought to live." If Amiel believes we should allow women to be depicted in chains or mutilated, perhaps she can come up with a study that shows that this is beneficial to society.

—LORENZO BURNING,  
Windsor

Letters are edited and may be condensed. Writers should supply name, address and telephone number. Most correspondence is referred to the Editor. Mailed magazine: *Maclean's Reader Service*, 777 King St. Toronto, Ont. M5P 1A7.

## PASSAGES

**DIED** Clarence Campbell, 78, president of the National Hockey League for 31 years, of pneumonia, in Montreal (page 24)

**DIED** American playwright Lillian Hellman, 71, of cardiac arrest, at Martha's Vineyard Hospital, Mass. New Orleans-born Hellman's best-known play is *The Little Foxes* (1939). She was married in 1932 after she refused to answer congressional questions about alleged Communist ties. Hellman had a 20-year love affair with mystery writer Dashiell Hammett. Last May she won a \$2.5-million libel suit against novelist Mary McCarty, who had said in *The Dark Corner* Show that "every word she writes is his, including" and "the ' "

**DIED** Carl Foreman, 66, Hollywood screenwriter and producer whose credits include *Right Noon*, *The Guns of Navarone* and *The Bridge on the River Kwai*, of brain cancer, in Beverly Hills, Calif. Foreman was blacklisted in the Joseph McCarthy anti-Communist campaign and moved to England in 1952. He collaborated anonymously on the script of *The Bridge on the River Kwai*, which won an Academy Award for best adaptation in 1957.

**DIED** Oswald Jacoby, 51, pioneering contract bridge player, specialized bridge columnist, author and Mary code expert, of cancer, in Dallas. Jacoby began his career in 1935 while studying in New York's Columbia University. In 1936 his team, the Four Aces, won the first world team championship against France in Madison Square Garden. Immediately after the Japanese attacked Pearl Harbor in 1941, Jacoby joined the U.S. Navy and, as part of the cipher squad that cracked the Japanese codes, helped save thousands of Allied lives.

**DIED** William Keighly, 94, prolific Hollywood film director of classics including *The Man Who Came to Dinner* (1941), of a stroke, in New York. Keighly directed on Broadway and in Los Angeles before entering the booming movie business of the 1930s.

**CONSTITUTED** FRIEDAL. Colin Thatcher, 45, former energy minister of Saskatchewan and Conservative M.P. for the provincial riding of Thunder Creek, on a charge of first-degree murder in the January 1988 slaying of his father-in-law, Jackie Wilson, by provincial court Judge Marko Wolke, in Regina. The millionaire rancher son of former provincial premier Ross Thatcher was ordered to pay a settlement of \$500,000 when he and Wilson, his wife of 17 years, were divorced in 1979.

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### COLUMN

## Discrimination as a basic right

By Barbara Amiel

At the recent Liberal leadership convention, the explicit mainstreaming of discrimination against the old, the unemployed, the handicapped, women, homosexuals, ethnic groups, native people and a subcategory within them—Indian women. What was not discussed was the fundamental principle of true liberalism—equality. That certain amount of discrimination is the most basic of human rights.

Two issues may illustrate that best: the proposed legislation that allows Indians women to keep their status when they marry non-Indians, and so-called homosexual rights. Previously, according to the rules of an Indian band, only men could marry non-Indians and remain on the reserve with all the rights of a tribal member. Women who found a tribal mate with a member of a different racial background lost their Indian status.

In Ottawa's Weston Hotel during the convention, a lady handed me a letter demanding justice for Indian women I'd quoted her and remarked that I am "unhappy to support that cause." "Oh no," replied the lady. "No one who cares could be against this."

In one sense the woman is right. On a personal level I wouldn't dream of stripping a person of their tribal identity because of the sort of mate they choose. Nor would I refuse to employ or rent a room to someone of homosexual persuasion. I think it is odd to discriminate against homosexuals in such a way because they are not a threat to society as a liberal happens to find that odd.

But a liberal is a person who acknowledges the right of other people to have opinions and to make judgments based not only on liberalism but on other philosophies, as long as their beliefs do not contravene the Criminal Code. Liberalism has always proceeded on the belief that people should have a right to their own values, national customs and religious beliefs.

It may not like the fact that the traditional Jewish religion is matrilineal and that children of a Jewish mother and non-Jewish father will be accepted as Jews, while children of a non-Jewish mother and Jewish father will not be. But that, like the Indian's idea of who is and who is not an Indian, is a matter for the group to decide.

Sometimes, when matters fall square-

ly within the Criminal Code, the problem becomes easy to resolve. Acts that clearly contravene the code, such as manslaughter or forcible confinement, may be part of a group's culture, but society has to prevent them. I suspect most Canadians would not allow a group of Mexicans to wear an additional woman, much as we may encourage the multicultural mosaic.

But matters like the question of Indian women, matrilineal descent in Judaism, homosexual rights and religious beliefs are far more difficult. In those cases the state cannot possibly legislate one right or legitimate a rebellion without grossly offending an equal right and equally legitimate ambition.

In New York, on June 24, thousands of homosexuals paraded in the 15th annual Gay Pride March. As in Canada, it is not clear to me what rights homosexuals do not have. But the focus of discrimination appeared to be the members of the

**"We must have the right to hold discriminatory views on such subjects as homosexuality and sanctity of marriage"**

Roman Catholic hierarchy who will not sign New York City Executive Order 26, which would force the church to hire homosexuals or else possibly forfeit its city contracts (the church has \$76 million [US] in city contracts for such things as child-care agencies and home-breaker services). Sex-orientation stated as whatever weapon a powerful state can muster.

A church spokesman explained that the archdiocese does not ordinarily discriminate against homosexuals or anyone else on the basis of sex. Archbishop John O'Connor would not sign the executive order because to do so would be equivalent to renouncing homosexuality and thus violate Christian teachings.

The archdiocese, in my opinion, is

in a bind. As the marchers passed St. Patrick's Cathedral on Fifth Avenue, one sign was flashed that read "The Lord is my shepherd and He knows I am gay." But that does not address the central point: does the Lord know like us?

It is of some importance to understand that there is a human right, whether for individual humans beings or

for a person who defines himself as a faithful Roman Catholic, a fundamentalist Christian, a Rôcheyan Protestant, to have discriminatory views on a number of subjects from homosexuality to the sanctity of marriage according to religious beliefs. That right is discriminatory and to hold those beliefs and act upon them—is a basic human right. It is the right of a nation or ethnic self-definition. It is what liberalism is all about. The minute you outlaw some basic religious beliefs, as we have in Canada under our human rights legislation, simply because they run counter to the creed of liberalism, you are doing a very curious thing: liberalism is elevated to a state religion, which is antithetical to its very nature.

For those of us who are worried about preserving freedom in this land—and I will think that there are enough of us to make a difference—there are two basic points to make. First, that it is not a case of the values of one group versus the values of another, which belongs in the grey area of ethnic self-definition, the government should stay away from passing any legislation and let the group change, if it will, according to its own schedule.

Second, while I think my creed of liberalism is equally and philosophically the soundest creed, my country is still supposed to be one of diverse democratic beliefs. People ought to be allowed to be conservatives. They ought to be able to make their own moral judgments. The antidiscriminatory laws of some provinces may demand that citizens cannot legally discriminate on the basis of mental illness, criminal record or sexual orientation, but that is liberal. If I have someone, I do not intend to have the right to ask the person about his criminal record and, if he has one, to make further inquiries. Let the Province of Ontario arrest me, if it dare.

Gay Pride March in New York was not really about rights, of course. Homosexuals in that parade were more interested in getting approval for their lifestyle. Which is understandable, but too expensive if it is at the cost of legislating against someone else's beliefs. According to The New York Times, at the corner of 57th Street and Fifth Avenue, Lance and Irene Enten of Pleasantville, N.J., were standing with a sign, "We love our lesbian daughter." With them was their daughter, Ray. "We want to give support to the mother," Laura Enten said. "It makes them feel good." I guess everyone likes a parade.



Turner, wife Gaille, of Ottawa visit: a swarming-in ceremony without clutter, pomp or ceremony, and a quiet beginning

## CANADA

# Turner's muted accession

By Carol Goar and Mary Janigan

In the end, at the climactic moment of John Napier Turner's political life last week, it took him only 30 seconds to accept the oath of office making him Canada's 17th Prime Minister. It was the crowning achievement for which he had waited all his political life, and his wife Gaille, for one, had expected a more elaborate ceremony. Indeed, the new Prime Minister himself admitted that the ceremony at historical Rideau Hall did not inspire him in metaphors, nor would the parade ceremonies of his battle to wrest power from his longtime rival, Pierre Trudeau. His only reaction to finally ascending to the most powerful job in the land was a shrug and a hearty: "Declared Turner. "I felt both humble and proud at the same time."

The understatement effectively captured the mood of Turner's receiving in on a cool and sunny morning in Ottawa last weekend. He arrived at the Governor General's stately residence escorted by Gaille and his four children, his sister Brenda Barnes of Montreal

and her four children, as well as a contingent of aides and plenipotentiaries. It was exactly 16 minutes after Trudeau had finished saying goodbye to Gov Gen Jeanne Sauvé. Wearing a blue suit, blue shirt and red tie, Turner took his oath as a Roman Catholic. He then attended a cabinet dinner, clearly to hold the line until the next election. The team clearly did not assume up to the new leader's ambitious plan to provide from these initiatives of a new sense of direction in the nation's affairs. But the making of the prime's cabinet did serve to mark the rift between Turner and his principal leadership rival, the popular Jean Chrétien. It also provided some evidence that Turner is serious about restoring the size of cabinet. But the Prime Minister himself acknowledged that the cabinet was only a first step.

"This is a phase I cannot compare to only," he declared. "I would need a larger mandate from the people of Canada to move further than I have today."

For all his boasts that a slim new cabinet packed with fresh talent, the 58-member Turner team looked remarkably similar to Trudeau's outgoing one

A total of 14 ministers—including Finance Minister Marc Lalonde, Transport Minister Lloyd Axworthy and Health Minister Monique Bégin—stayed on in their old portfolios, and there will be no fewer than 33 ministers from Trudeau's government around the new cabinet table. Turner reduced its overall size by eight ministers, but despite his pledge during the leadership campaign to recruit high-profile newcomers and bring them into the cabinet, he did not appoint any outsiders—and three Senators from the West who held cabinet portfolios under Trudeau were dropped. Still, Turner announced at a news conference following his swearing in that he will run in a British Columbia riding in the next election. Among the cabinet holdovers no fewer than 16 of 22 ministers supported the new Prime Minister in his leadership campaign. "I am worried," acknowledged a senior Turner adviser. "There are too many of the same faces in the same portfolios."

Added Opposition Leader Brian Mulroney: "What has happened is that the old beast went out one door and came right back in the other."



Trudeau arriving for resignation: hint of bitterness

The Turner cabinet is, in fact, a circumspect administration. Lalonde retained the finance portfolio to grapple with rising interest rates and a plummeting dollar (page 36), and leadership run-up by Jean Chrétien—who waged a fierce behind-the-scenes battle with Turner over what cabinet post he would have—will serve as deputy prime minister and secretary of state for external affairs. Other prominent Trudeau ministers who remained in the cabinet included Treasury Board President Herb Gray, Government House Leader André Gauthier, Industry Minister Ed Leamy and Consumer and Corporate Affairs Minister Judy Evis, who will also be minister of state for social development. Missing from the cabinet were three of Turner's leadership rivals—former justice minister Mark MacGuigan, who last week was appointed a Federal Court judge in the departing Trudeau handed out awards to his followers (page 38), Indian affairs minister John Manos, and agriculture minister Eugene Whelan. One of the main beneficiaries of the shuffle was Nova Scotia's Gerald Breen, elevated from the junior international trade post to the key energy portfolio. But Donald Johnston, who won widespread respect for his third-phase faith at the leadership convention, was relegated to the senior portfolio—a major setback to a man who had hoped for a key economic role in the Turner government.

The new cabinet contained only five

ministry clerical staff, none of them well known. Jean Lapierre, a 55-year-old lawyer from Quebec, Que., was named minister of youth and amateur sport, and Herb Brown, a New Brunswick businessman who served on the Liberal back-bench for 18 years, became labour minister. Ed Bradley, a lawyer from Quebec's disadvantaged Gaspé region, will be responsible for regional development. Doug Pratt, a Sudbury pharmacist, takes over as Indian affairs, and Ralph Ferguson, a southern Ontario farmer, succeeds Whelan as agriculture minister.

The ministers dropped from the cabinet included the western senators—British Columbia's Jack Austin, Saskatchewan's Hazel Apple and Alberta's Paul Gillson—and one of Trudeau's three women cabinet

ministers, Gilgine Hevienne-Payette, who held the youth portfolio, as well as his newest minister, Quebecer Jacques Olivier, who was responsible for the government's battered sports post (page 18). The other victims of Turner's

cabinet cutting included two ministers who supported Jean Chrétien's leadership bid: former revenue minister Pierre Bouchard and former labour minister Pierre De Bauld. It had taken 32 tension-filled days for Turner to make peace with Chrétien. Acting against the advice of his strategists, Turner began negotiating by making his best—and possibly best—cabinet offer: the deputy prime minister, working with the prestigious external affairs portfolio. But Chrétien was adamant: he would settle for nothing less than also being Turner's Quebec lieutenant—a post that would have given Chrétien control over patronage in his home province, but a position which Turner wanted to reserve for his Quebec lackey of Quebec origin. After a week of inconclusive bargaining, Chrétien left for his cottage near Ste-Anne-de-Quebec and his advisers were despondent: they needed Chrétien in the cabinet to avoid a potentially dangerous decision within the party. "Before he [Chrétien] went fishing, it was 50-50 as to whether he would go or stay," said a top Turner aide.

The struggle continued until the morning of Thursday, June 28, when Turner finally told Chrétien: "The bottom line is, look, you have to remember that I won the leadership and I won Quebec." Then, the prime minister designates offered a final compromise: there would be no Chrétien lieutenant. He would be the sub-minister, with the aid of a committee of three Quebec ministers.

Don't get it? Chrétien, Liberals were preoccupied by the issue of an election



The new cabinet contained only five



Erle, Aworthy after swearing in: the potential for an internal division loomed

Chrétien as chairman, plus Ouellet and Charles Lapointe. Finally, Chrétien rejected and told the Liberal caucus that he was "going to fight Turner, not Ouellet," and that he would remain in the cabinet. But potentially serious problems remained. There is concern that the uneasy partnership between Chrétien and his new boss will not last, and some Liberal insiders and privately that the rivalry between the two men may already have damaged the party. Added to cabinet momentum "It's a more serious rift than anything we have ever had in the Liberal party before."

The final resolution of the Chrétien dilemma marked the end of a scotch-souring drinking week for the new leader. "This," said a Turner confidant, "has been one of the most gruesome things he has had to go through in his political or business career." Turner's week of decision began with an informal meeting of six key ministers at his Toronto home on Monday, Aug. 25. The so-called "Kitchen cabinet" consisted of Prime, Erle, Aworthy and Ouellet, along with two other cabinet members, Lalonde and Lamer. All six men had supported Turner's leadership bid—and all six received the portfolio they wanted. By the end of that day, the inner circle had agreed on a plan to restructure the cabinet. On Tuesday morning in Ottawa, the drama began. One by one, Turner summoned the leaders to his fourth-floor suite at the Chateau Laurier hotel. At the same time, Turner kept track of his appointments by tapping cards in a bed-room lampshade. First came Don Boudreau. Next in line was Jean Chrétien. Turner's leadership critics—Maurice and Willem. Some of the victims were bit-

ter. But others were impressed by Turner's behaviour. "He was very frank and honest," said one minister. "His tone," almost escaped the microphone. The most painful struggle took place on Wednesday when Turner had to eliminate five of his supporters in the leadership race from the inner circle. The most difficult moment was when he visited his old friend Jean-Luc Poirier, who was recovering from heart surgery at Ottawa's National Defence Medical Centre, to formally tell him that he was out of cabinet.

Turner also agonized over the exclusion from the cabinet of a prominent leadership rival, Trudeau's justice minister, MacGillivray, who threw his support to Turner at the convention. There was three a significant job for Allan Rock, even though Trudeau's personal affairs minister and deputy prime minister had fought hard to hang on to his powerful cabinet post. In the end, MacGillivray was named to the Senate, where he will serve as government leader, a position that will give him a role in the Turner cabinet. A final difficulty for Turner involved Johnston, who had wanted a senior portfolio. Turner offered his former Montreal law associate the post of justice along with responsibility for the cabinet's social development committee. Johnston reluctantly accepted—only

to receive another blow when, at the last minute, Turner withdrew the committee chairmanship on the advice of aides who were worried that Johnston would make good his campaign pledge to reassess the universality of some social programs. The only thing that made Johnston's fate somewhat less bleak was the sliver possibility of receiving finance after the next election, when Lalonde is expected to retire.

With the cabinet in place, Turner's next major task will be to decide on an election date—with Aug. 27 or Sept. 4 the likeliest dates. His decision to present a cabinet dominated by rejected ministers may not improve the Liberals' appeal. Still, the results of polls last week conducted for the Liberals by Toronto's Martin Goldsmith and newspaper Angus Reid—both showing the party leading the Tories nationally by more than five percentage points—battered the position of party strategists favouring an early election.

Turner's election options are limited by the scheduled vote of the Queen in July—which some Liberals are reluctant to see cancelled for an election—and the fear by Pope John Paul II scheduled for September. If an election has not been held by then, the Pope's arrival, predicted to require Turner to delay launching a campaign until after the trickiest parts on Sept. 15. The tricky conflict of timing clearly preoccupies Liberal thinking. "If he makes the wrong decision, he could be an embarrassment to history," the two words, Prime Minister, "named our senior Liberal."

In the meantime, the advent of the Turner era was unfolding with little public drama. As the new men moved into their offices over the weekend, and the Turners prepared to take up residence at 24 Sussex Drive, Prime Trudeau, who apparently did not have a new job lined up, bade his official farewell to St. Jean and jumped into a black Cadillac to a smattering of applause from on-lookers. The estranged

Trudeau may have felt more regret at stepping down than he was prepared to show. At a final party for his staff, Trudeau was told by a reporter that he would be missed. "Yes—for a day or two," replied Trudeau, with what appeared to be some bitterness. Trudeau would not be a timely reminder of the transient nature of political power to the men who is taking his place at 24 Sussex Drive.

With John May and Jean Riley in Ottawa.

## Patronage on the instalment plan

In a series of halfhearted acts as Prime Minister, Pierre Trudeau rewarded some old friends and supporters last week. He did so even if the various acts in the Senate, appointed two new Federal Court judges and handed a retirement allowance a 20-year term in the Canadian Transport Commission. Still, Trudeau insisted that he has many reasons to distribute and his refusal to yield immediate control over chair appointments to his successor has angered Prime Minister John Turner. But Turner reluctantly agreed in writing to place Trudeau's candidates in important positions in federal bodies and commissions during his time in office. At the same time, one of his advisers acknowledged that the new Liberal leader was stunned by Trudeau's insistence on filling government jobs with his former supporters. Declared an Turner aide who had seen the closely guarded list of the appointments demanded by Trudeau: "I do not recall ever in history a Prime Minister so hamstrung by his successor. It is difficult trying to make it impossible to win the next election."

Indeed, the complexities of the next round of patronage awards will be a signal that Turner has honored his agreement with Trudeau and is ready to sell as decisive. The new Prime Minister could wait until the fall and reconvene Parliament before making an election. But with the departure of six cabinet ministers last week, the Liberals now have only a slim new cabinet majority. Next in line for patronage awards are Bryan MacGillivray (Justice), who will become ambassador to Portugal, the two government whips, Charles Turner (London Post) and Thomas LeBel (Lebel's Ontario Liberalism), who are both going to the Senate, Denis Richter (University President-Kent) designated for a job with the Canadian Livestock Feed Board, and Maurice Dupras (Liberal), who is likely to become the next Canadian consul in Atlanta, Ga. As he left office, Trudeau handed out the most prominent patronage appointments—Senate seats paying \$80,000 yearly—to a former deputy prime minister Allan Rock, former fisheries minister Pierre De Lauro and former public works minister Jean LaRocque. Four other Trudeau loyalists also were placed in the 204-seat upper chamber. John Fairbairn, his legislative assis-

tant for 24 years, Len Marchand, a former environment minister and the first Canadian Indian to serve in the cabinet, Colin Kenny, an executive with Deas Petroleum and one-time Trudeau policy adviser, and Daniel Hays, a Calgary lawyer and party field rider. As the Trudeau era ended, three other departing members of the cabinet also received awards for their years of public service. Former justice minister Mark MacGillivray



Fairbairn, member of the inner circle

will become a judge in the appeal division of the Federal Court, and former government House leader Yves Pinard will sit in the trial division of the same court. As well, former Indian affairs minister John Murray closed a 20-year career in the Commons by accepting a 10-year appointment to the Canadian Transport Commission.

For her part, Fairbairn was one of the most influential members of Trudeau's inner circle. She passed his office in 1983, after eight years as a Parliament Hill reporter. Although she was not well-known outside of the political arena, as

Trudeau's legislative assistant. Fairbairn played a critical role in preparing for Prime Minister for each day's Commons Question Period. One of her most important jobs was to make sense of newspapers, anticipating questions which opposition members would hurl at the Prime Minister.

Conversely, MacGillivray, who will join Fairbairn in the Senate, was himself one of the news makers before and during the Trudeau era, establishing a machine as minister of health and welfare in 1983. But in recent memory he is best known for his role as a budget that would have done many tax loopholes. One of his greatest services to Trudeau took place in December, 1980, after the Liberals had been in opposition for six months. As Liberal House leader, MacGillivray captured the Commons defeat of Joe Clark's minority Tory government. But he helped to persuade Trudeau to end his retirement, announced only three weeks earlier, and led the party to electoral victory in the 1980 general election.

As he turned out, MacGillivray will be a member of Turner's cabinet. After initially rejecting the offer, he agreed to become government leader in the Senate, a far less prestigious position than those he has held recently. But he acknowledged that he had had his share for active politics. Mark MacGillivray and John Murray, both of whom lost to Turner in the leadership race, did not have that luxury of choice and they had to settle for Trudeau's parting gifts. Murray, who was once a political aide to the late prime minister, will be a member of the Commons—unlike that of Yves Pinard, whose many Liberals had hoped to succeed Turner as the next francophone leader of the party. Pinard desired to fulfil an earlier goal by becoming a judge. "There were no health or political problems involved, or anything like that," said one Pinard aide.

Overall, the transfer of power between Turner and Trudeau did not proceed as smoothly. In fact, Turner's aides, stunned by the loss of so many appointments relayed from the Prime Minister's Office, insisted on rechecking the figures with Thomas Aworthy, Trudeau's former principal secretary, before they accepted them. "There is hardly a day left for Trudeau to do his own goodbye tour," said one Trudeau aide. One week before he became Prime Minister, Turner acknowledged that Trudeau had decided who would get the patronage plans. "I don't see the shadow in the moment," Turner said. Now, he sees the power he's given, but the former successor has left him few of the credits to distribute.

—TERRY HAUGHEGROIS in Ottawa.

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## A spy bill's rites of passage



Problem: a civilian service able to open mail and tap telephones

It had a stormy year-long parliamentary passage. But Robert Kaplan's bill to set up a national civilian security service became law last week—after the Liberal government resorted to closure just before Parliament resumed for the summer and a possible election. Solicitor General Kaplan insisted throughout a long debate that the country needed the new Canadian Security Intelligence Service to master domestic subversion and foreign spies. But opposition MPs, provincial attorneys general and other critics declared that the measure is a threat to civil liberties. As Kaplan found the bill close to the Commons, New Democrat MP Steve Robinson called it "one of the darkest days for democracy in the history of the country."

The security bill dominated much of the parliamentary session. But the Commons has also passed other controversial legislation since the session began last December. The "Spy Bill," as it became known, was one of a handful of measures given royal assent on Friday, as the House rose. Other bills have provided for more maternity and child care leave for workers in industries under federal jurisdiction, after higher supplements for low-income pensioners and cut out the first major land-clear settlement with native peoples in the North. Some measures still being debated when the House resumed may re-emerge as parts of a Liberal election platform. Two of the most prominent: a bill to make divorce easier to obtain and another presiding tougher

laws against pornography. But the debate over the security bill was the most bitter. Kaplan first introduced the measure in the Commons on May 18, 1983, in reaction to a series of scandals that shook the nation's confidence in the RCMP Security Service during the 1970s. Many of the bill's provisions came from the recommendations of the McDonald royal commission, an RCMP investigating committee on spying the separation of the Security Service from the RCMP itself while placing the new agency under direct ministerial jurisdiction. The civilian service, headed by former government lawyer Bob Poiré and staffed mainly by former RCMP officers, will have broad powers to gather information: it may open mail, install listening devices, tap phones and check the files of divorce courts and other government and other government departments. RCMP laws banned the RCMP from opening mail and checking tax records, but the McDonald commission discovered that the police had often broken these laws in secret. Under the new act the Security Service will need to obtain a warrant from a Federal Court judge to intercept or seize documents. Kaplan stressed repeatedly that the service will only collect information for the government and that it will

not carry out criminal investigations or other police work.

A critical Senate committee study last year forced Kaplan to redraft the bill. When he reintroduced it in the Commons in January, it included a more rigid definition of national security threats in order to protect peaceful dissenters from unwarranted investigation. It also set stricter guidelines for judges granting warrants to officers in the service. The law also contains two other provisions intended to prevent abuses by the service in its secret work. For one thing, an independent review with access to service documents, will report to the minister on the activities of the service. For another, an independent review committee with as many as five members will hear any public complaints against the agency and report to the solicitor general, who will table those recommendations in the Commons. These measures, declared Kaplan, are intended to make the service responsible for its actions—but protect it from any possibility of political interference.

Still, critics argued that the amended bill legitimized acts which it contended should remain illegal. Robinson, MP for Kootenay, B.C., threatened the bill, proposed some 30 amendments in an attempt to strip its passage and described the legislation as "a massive assault on the fundamental civil liberties and privacy of Canadians and anyone visiting our country." At the same time, he charged that the review committee is a "completely useless device." The bill could be killed by "votes of the Liberal government." The Conservatives—especially westerners—opposed separating the service from the RCMP. Declared they MP John Taylor of Nanaimo, B.C., "The Royal Canadian Mounted Police is getting a bum rap." University of Toronto political science Prof. Peter Russell, who is research director of the McDonald commission, had another criticism: the document says "government" has a "preference to withhold cabinet documents on security from the independent review committee—even though its members will have to take seriously the same strict oath of secrecy as cabinet ministers themselves."

But despite his personal views, the bill is now law and future MPs, senators and cabinet will inherit the task of protecting the liberties that the service is supposed to keep secure.

—ZENA HILL  
in Ottawa

Kaplan introduces



PHOTO COURTESY



LeToussneur another step in Ontario's gradual expansion of French services

## Upholding francophone rights

The across-sections in Ontario's vocational Education Act have long been a source of frustration to francophones in the province.

The province insists that French education only exists in the province in areas where specific numbers of French-speaking children are involved. But last week, in the first court judgment based on the province's language education section of Canada's new Charter of Rights and Freedoms, the Ontario Court of Appeal ruled that part of the province's act is inconsistent with the Charter, which guarantees the children of Canadian residents in either of the nation's official languages under certain circumstances. Then, Premier William Davis's Conservative government immediately introduced amendments to eliminate the clause—and the decision may have wider implications. Said Les LeToussneur, president of the Ottawa-based Fédération of Francophones Outside Quebec: "It is a very important judgment that other governments across the country will have to consider seriously."

In its decision, the five-member Ontario court said that under the Charter francophones outside Quebec are entitled to an education in their own language and that local school boards in the province should not be allowed to curtail francophone power in deciding whether to provide it. At the same time, the court said in effect that the province—which itself asked for a court provincial court judgment in 1982, after francophone groups threatened to take lower court action—is also constitutionally obliged to guarantee

that linguistic minorities have representation on local school boards.

In the Ontario legislature Education Minister Steve Shepherson swiftly introduced amendments that would require French-language instruction available to children whose parents request it anywhere in the province. The new legislation, introduced as the legislature prepared to adjourn for the summer and unlikely to become law until the fall session, was expected to add about 1,000 students to the approximately 90,000 already studying in French in Ontario. The amendments must appear in the Davis government's policy of gradually expanding the provision of French-language services in Ontario, but without making the province, in which francophones comprise about four per cent of the population, officially bilingual. Last month Davis refused a request from Pierre Trudeau to take that step because, he said, he did not want to "jeopardize the content of our language issues that has been steadily developing."

The Ontario court decision might easily serve as a precedent in other provinces, such as Nova Scotia, Saskatchewan and Alberta, where French-language education is provided only at the discretion of provincial educational authorities. LeToussneur said that his association is monitoring a similar case in Prince Edward Island, provincial court, and it may decide to take the case to the Supreme Court of Canada for a final ruling that would be binding in all provinces.

—ROBERT BLACK

## A bitter new language fight

Ever since New Brunswick became Canada's only officially bilingual province in 1969, the language issue has periodically dominated public life. Under Premier Richard Hatfield, who took power in 1970, the Conservative government has sought to make the province's government, courts and public institutions bilingual. In the intervening years, leaders of New Brunswick's vibrant French-speaking community have pushed for a faster rate of change, while some members of the majority English-speaking community have campaigned—occasionally in anger—against bilingualism. Then, the summer saw anglophone resentment erupted. The latest—and one of the most inflammatory—episodes of New Brunswick's language policy, Premier's insurance executive Leonard Poiré, claims to have attracted roughly 8,000 members to his 10-year-old New Brunswick Association of English Canadians (NBACC). Poiré has delivered a series of addresses as grand as the "threat of bilingualism, adding: 'I don't care if people call me a bigot. My only purpose is to protect the rights of English-speaking people.'"

The main target of Poiré's anger is Hatfield's plan to provide government services to all New Brunswickers in the language of their choice. Although French-speaking Anglians make up about 25 per cent of the province's more than 750,000 residents, francophones comprise only 10 per cent of the province's higher-level jobs in the civil service—a figure that has changed little during the past decade. To correct that linguistic imbalance the civil service has increased the hiring of bilingual people 44.9 per cent of last year's appointments spoke both official languages, an increase from 25.4 per cent in 1981-82. Still, because most bilingual New Brunswickers are native francophones, and bilingual employees are increasingly unavailable, the government faces a difficult task. And Poiré has magnified anglophone resentment by exaggerating their problems. "If you are English and you do not speak French, you cannot even apply for a civil service job—much less get one," he told an audience in Saint John last month. Poiré contends that provincial hiring policy is designed to promote French at the expense of the province's anglophones. And last week he accused the provincial minister in charge of bilingualism, Quebec-born Jean-Marcus Rueland, of harboring "infectious anti-English sentiments."

For his part, Rueland, who is Eng-

Sud's acknowledged francophone lieutenant, declared, "Pouss has been known to use figures loosely." But St. Laurent concluded that current civil service hiring practices mean that "we will hire fewer anglophones for a while, but only until we have reached a fair level." The province has been moving in that direction since former Liberal premier Louis Robich, and his government introduced the Official Languages Act, giving both languages status in the province. A tense confrontation developed in the early 1970s when Leonard Jones, then the mayor of Montreal, refused to provide municipal services in French, even though the city's population was about 40 per cent French-speaking. In February, 1973, about 1,500 Quebec students demonstrated in the city's streets while police guarded Jones's house.

A year later Hatfield intervened when an emotional dispute erupted in Fredericton over a proposed French cultural centre in the city. The project was opposed after Hatfield personally appeared in city court to ignore public opposition. Pouss was a city councillor at the time, opposed the centre and, more recently, has watched with growing uneasiness as the provincial government promoted a Montreal-based French newspaper and also closed some English schools while opening French immersion ones. Pouss said that he decided to express when Hatfield proposed in April that the English flag be flown from government buildings, along with the Canadian and provincial flags. Pouss, a 46-year-old Baptist who is a politician he is not "anti-French," formed the NADIC to promote his conviction.

Despite the hostility of Pouss's membership, some sections of the province's anglophone society are enthusiastically embracing Hatfield's leadership in federal affairs. New Brunswick has the highest rate of French immersion at the grade school level, with 11.2 per cent of eligible English-speaking children enrolled. Today, says Aurèle Thériault, executive director of the *Journal de la Ville de New Brunswick*, "there is a whole psychological acceptance of bilingualism that you can literally feel that wasn't there 30 or 15 years ago." Still, unofficial anglophones, whose chances of civil service promotion have effectively vanished, contend that they have a legitimate grievance. So far, there are no official channels for airing related complaints—an absence that concerns francophones as well. Until the Hatfield government acts on a two-year-old plan to appoint an official languages oversight committee to ease complaints, the debate on bilingualism is likely to remain vulnerable to distortion and occasional outbreaks of demagoguery.

—MICHAEL CHAMBERLIN  
in Fredericton



De la Rappard (left) with Lougheed: charges of interference in its judicial system

## Charging a Lougheed loyalist

Alberta Premier Peter Lougheed was outraged by the initial accusation. Last December The Calgary Herald reported that the RCMP was investigating George de la Rappard, a personal friend and top lieutenant in Lougheed's administration, in connection with suspected fraud by Dial Mortgage Corp. Ltd., which a court declared bankrupt in April, 1980. When the story appeared, the premier curtly told reporters, "I hope you have a good sleep tonight." Then, last week the Alberta Securities Commission charged de la Rappard and four other former Dial officers under the province's Securities Act with making false or misleading statements in a 1979 investment prospectus issued by Dial. Declared Lougheed: "I think it is unfortunate and I believe that it is no way can be [de la Rappard] have broken the law."

Despite Lougheed's continuing support for his friend, the Dial affair is one of the stormiest issues that the premier has faced during 12 years in office. Earlier this year the attorney general's department fired John MacKinnon, a special Crown prosecutor, after he withdrew a report that de la Rappard was one of several Dial executives being investigated. As a result, the Canadian Bar Association established a committee that is still investigating charges of interference in the judicial system by the provincial government. At the same time, opposition politicians questioned Lougheed's 1980 decision to appoint de la Rappard—mischaracterized as the Conservatives' massive victory in the 1982 provincial election—as deputy minister to the cabinet when he was the subject of a police investigation.

De la Rappard's involvement in Dial began in 1973, when Denis Rowley, the firm's founder and his brother-in-law, hired him as vice-president and chief executive officer, a position he held until September, 1980. During that time de la Rappard signed a prospectus that purported to give an accurate picture of Dial's finances. But according to documents submitted last summer in a lawsuit by Thomas Ridwell Inc. against the Alberta government for allowing Dial to continue in business when the government allegedly knew it was insolvent, a potentially damaging truth was omitted from the prospectus. The court documents also show that the prospectus failed to disclose the firm's financial dealings with Personal Holdings, a company owned by Rowley and Dial lawyer George Brownlee. The story launched an investigation into Dial in 1980 and eventually recommended charges against people involved in the company.

But in 1984 the Alberta attorney general's department decided against proceeding. Then, last week, following an investigation by the Alberta Securities Commission, charges of filing a false prospectus were laid against de la Rappard, Rowley, Brownlee and two other former company officials. The charges carry a maximum fine of \$2,000 and a year in prison. For his part, de la Rappard, who last week left on a unpaid leave of absence from his more than \$7,000-a-year deputy minister's job, issued a statement in Edmonton declaring that "there is no truth in the allegations"—a proposition that the courts will weigh when de la Rappard and his co-accused appear on July 28.

—GEOFFREY LEECH in Calgary

## A pool filled with red ink

Only two months after the federal government set up its troubled sports betting pool, the verdict is in: it backed a loser. Canadian Sports Pool Corp., a controversial federal spin-off that began business on May 1, has sold an average of only 145,000 \$2 tickets each week for its weekly baseball draws. Last week it lost more than \$1 million. As a result, Jacques Oliveau, the sport minister in Pierre Trudeau's cabinet, said last Thursday that Ottawa was ready to abandon the scheme. In return for Ottawa's agreement to close the pool by Sept. 30, the provinces will give Ottawa \$180 million from their lottery receipts to help pay for the 1988 Winter Olympics in Calgary. As well, the provinces pledged to send Ottawa three per cent of their annual lottery revenues.

But while Ottawa has lost an estimated \$20.1 million operating the short-lived scheme, it enjoyed one success. It forced the provinces to turn over a larger share of their lottery take. The provinces opposed the federal betting scheme from the beginning, arguing that it violated a 1979 agreement under which Ottawa said that it would leave the lottery business to them in exchange for an inflation-indexed annual payment, worth \$55 million this year alone. And major-league baseball clubs also criticized the federal plan during its brief existence, contending that any association with gambling tarnished baseball's image. As well, opposition members charged that key pool employees and ticket distributors had obtained their positions through Liberal party connections.

The federal sports lottery began with a burst of unfounded optimism as the corporation printed three million \$2 tickets for its first weekly baseball draw. But consumers found the game (which required bettors to pick the winner of four games and take a blind chance on one other) too complicated. In addition, 7,000 distributors across Canada refused to get involved in the sports pool after the provinces threatened to bar them from selling provincial lottery tickets. Despite these difficulties, the Trudeau government kept trying to keep the scheme operating. It even authorized a \$10-million loan to the cash-strapped corporation last week, as Oliveau nudged over the provincial offer, with new Prime Minister John Turner reportedly reluctant to keep Ottawa in the gambling market, the provincial offer of more money clearly was too good a consolation prize to ignore.

—SUZAN REILS

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Thatcher (centre) celebrating with fellow European leaders: disabbling questions about a longer financial solution

## WORLD

# Pulling back from the brink

By Marek McDonald

The headline in the Paris daily newspaper *Libération* reflected the relief that echoed from London to Athens last week. "Europe," it read simply. "What?" After two days of hunching in the gilded salons of the Chateau de Fontainebleau, the European Community's 10 leaders finally agreed to a budget compromise which pulled the UK back from the brink of bankruptcy and averted, for the moment—the prospect of political disintegration. By almost any standard, the compromise was a diplomatic triumph achieved at some political risk.

That risk in the bitter two-year battle over reducing Britain's payments into the EC's budget, climaxed a victory at Fontainebleau. But in the end, French spokesman Michel Vasselle's assessment that there had been no winners or losers proved apt. Indeed, the various leaders—including Britain's prime minister, Margaret Thatcher—were ordered home to face tough questions from political opponents and press commentators about what they had given away to

reach agreement on a financial package.

And, as European Commission president Jacques Thorens reminded his colleagues before the meeting ended on June 26, the leaders had failed to solve the community's fundamental economic woes. Instead, he warned, they had succeeded only in postponing a further painful negotiation for five more years, when the community's budget is again expected to be inadequate.

For her part, Thatcher—before the meeting her colleagues blamed her for jumping in at Fontainebleau when she won a better deal for Britain—claimed a victory. But her defensiveness at a closing press conference suggested otherwise. So did the arguments. Thatcher did insist the 1986-87 EC budget on Britain's 1985 budget contribution of about \$4 billion that her partners had blocked last spring when she vetoed the increase on the budget. But critics from Britain's opposition Labour Party lashed scores on Thatcher in the House of Commons later in the week. They argued that she had accepted a formula for future British rebates that was even less generous than the one she refused

at the deadlocked summit in Brussels last March. At the time, she insisted on a two-thirds reduction in Britain's net contribution. In last week's agreement Britain conceded an automatic two-thirds rebate after 1986, but based on a much smaller overall sum. Moreover, contrary to Thatcher's claim that the Fontainebleau solution would prove durable, other heads of government, including French President François Mitterrand, agreed with Tavares that it would have to be renegotiated within five years.

Even some members of her Conservative Party balked at another apparent capitulation by Thatcher. In a Commons Question Period, Tony Mr. Thomas Hughes implied that Thatcher had agreed to a plan to increase the community's income by lifting each country's sales tax contributions to 1.4 from one per cent without securing any of the guarantees for cutbacks in farm spending on which she had been insisting. And Labour's European spokesman, Barbara Castle, "Thatcher has climbed down as we always said she would."

In the wake of the elections for the

European Parliament, in which her Conservatives secured 45 seats, most analysts attributed Thatcher's willingness to compromise to the fact that the Fontainebleau was over and, as a result, she no longer needed to justify her hard-line governing stance. A Strong Voice for Europe. Thatcher also responded to increasing pressure from Mitterrand, who earlier had threatened to create a two-tier British State of Europe, in which Britain would have been in the second. In fact, Mitterrand recently took two steps toward making those threats good. He signed an agreement on May 29 with West German Chancellor Helmut Kohl to open the common border for customs purposes, starting this week. And he reconvened the long-dormant Western European Union in Paris last month. In part, the summoning of the union was a genuine attempt to forge a new forum for resolving the community's ability to ensure its own defence. But for Thatcher it also represented another attempt by France to use the political initiative in Europe.

What Thatcher would suffer her previous first attempt at last month's semi-national economic summit in London, where she secretly delivered an 18-point letter to her European colleagues. The document called for reforms of customs restrictions and improved defence co-operation—in proposals she had no intention of allowing Mitterrand to

set the agenda for the community. Still, the outcome of the Fontainebleau summit was a major diplomatic achievement for the French president. It came just four days before the end of his six-month presidency of the EC's governing Council of Ministers. It also helped enhance his domestic prestige at home. Mitterrand achieved his success with characteristic indecision. During the first day of talks at Fontainebleau he cleverly did not bring up the subject on everyone's mind—what Vasselle termed the "pervading obsession" of the British budget rebates. But after officials failed to make headway in an all-night negotiating session, Mitterrand and Kohl moved in on Thursday in a series of urgent three-way consultations in the corners of the chateau's ornate Henry II ballroom. Kohl agreed to pick up the largest share of the cost of the British rebate in return for a concession to a five-per-cent sales tax subsidy to appease angry German farmers. Critics have since pointed out that the subsidy—declared illegal by the European Commission last month—sets a dangerous precedent. Already, Italy and the Netherlands have demanded the same concession.

For her part, Thatcher succeeded in forcing recognition of the principle that each member country's contribution to the community should be based upon its wealth—an agreement that may cost the French dearly if and when

their economy returns to pre-recession performance levels. Still, whatever the fiscal political and financial balance sheet, even the most jaundiced critics agreed that the EC had made a major advance at the summit: the restoration of a cooperative spirit at a time when the community is in the doldrums.

All a suspenseful forewell dinner Mitterrand fed his guests no lobster, feta, and his heady dream of a crime's Europe, complete with its own flag, anthem, TV channel, sports teams and currency. With a theatrical flourish he even produced a sample European passport, scheduled to be introduced next Jan. 1. His partners agreed to set up a commission to study those proposals. But while dreams of a United States of Europe permeated the chateau, reality as represented by the United States of America abruptly intervened. Mitterrand accepted a phone call from President Ronald Reagan in Washington, who effectively quashed Mitterrand's aspirations to carve out an overly independent foreign policy for Europe. Reagan interrupted the deliberations at Fontainebleau on the pretext of congratulating Mitterrand on the style and tone of the French president's visit to Moscow the previous week. But the point that the White House still holds the keys to East-West relations, and therefore to Europe's security, was not lost on Mitterrand, or the nine other leaders of the European Community. □

Security officials on patrol at Fontainebleau despite the acrimonious debate, welcome rebirth of the European team spirit



## The Democrats' dilemma

Former vice-president Walter Mondale's campaign for the presidency took two important steps forward and one step back last week. After the re-election of Senator Edward Kennedy, Mondale and his chief rival for the Democratic nomination, Senator Gary Hart, buried their differences in a cordial way at a meeting in New York City, raising expectations that the party would mount a united challenge to President Ronald Reagan's re-election campaign. At the same time, U.S. interest rates rose by half a point to 12 per cent, the highest level since October, 1982, preventing the Democrats with a long-pending target as they prepared to turn their backs on Reagan. But a controversial outburst by Black Muslim leader Louis Farrakhan, a close associate of the third contender for the Democratic nomination, Rep. Jesse Jackson, drove the party into confusion and threatened to alienate the Democrats' traditional support in the Jewish community.

In a Chicago radio broadcast early last week to his 10,000 followers in the Nation of Islam, Farrakhan denounced Judaism as a "pitter religion" and described Israel as an outlaw nation. Last March, Farrakhan vowed to kill a black Washington Post reporter who revealed that Jackson had privately referred to New York Jew as an "kike." Farrakhan later denied through an aide that he had made the broadcast comments and offered to pay \$10,000 to anyone who could prove that he had. But the Chicago Sun-Times, which broke the story, had Farrakhan's remarks in type. The broadcast could bring an immediate outcry from Jewish community leaders. Howard Friedman, president of the American Jewish Committee, urged Jackson to "denounce the kike." At Henry Shrago, national director of the American Jewish Congress, called on the Democratic presidential aspirants to "move up enough courage to break with Jesse Jackson unless Jackson repudiates, clearly and unequivocally, the political support of his racist and anti-Semitic friends."

In response, Mondale denounced Farrakhan's comments as "venomous, bigoted and obscene." For his part, Jackson angrily agreed as a CBS interviewer during a visit to Cuba and said "I don't understand what he wanted to do with his obnoxiousness in response to it. I don't keep putting me in the middle of that."

That comment did nothing to silence the far-right New York Mayor Ed Koch, urged Mondale to denounce Jackson as less than Jackson repudiated Farrakhan. If Mon-

dale failed to do so, Koch warned, "He will have trouble in November." Koch's clear allusion to the possible alienation of the Jewish vote put Mondale on the spot because he also will need Jackson's help to turn out the black vote against Reagan. As a result, the former vice-president issued an urgent appeal to his Democratic rival, said Mondale. "It is crucial that all of



Hart with Mondale in New York: raising hopes for a solid challenge to Reagan

us—including Rep. Jackson—repudiate Farrakhan." Mondale's pleading was impossible to ignore, and Jackson finally issued a disclaimer through his Washington campaign office. He called Farrakhan's outburst "unrepentable and morally indefensible" and added that "such things have no place in my campaign." Added Jackson "I will not permit Minister Farrakhan's words, wittingly or unwittingly, to divide the Democratic party."

For Mondale, rapprochement with his bitter primary rival, Hart came slowly. For days the two men had corded each other as warily as prefigurers, while the Democratic leadership pleaded with them to conclude a truce. But neither would take the initiative, leaving Kennedy to break the deadlock. After endorsing Mondale at McGraw-Hill, his ear-

Mondale's home at North Oaks, Minn., Kennedy placed a call to Hart in Washington. When the call came through, Kennedy simply handed the receiver to Mondale, who immediately invited Hart to meet him at the fashionable Upper East Side town house of businessman Arthur Krim, a leading Mondale backer, in Manhattan.

At the same time, Mondale and Hart workers made cordial gestures at a meeting in Washington of the committee that frames the rules for the July 18 convention in San Francisco. Hart asked dropped a threat to challenge 659 delegates pledged to Mondale, a move that

all but this is a real step forward."

The Hart-Mondale women over lunch and again reiterated that spirit. After an hour and 40 minutes, the men emerged smiling from Krim's East 68th Street home with an agreement that they would work together to reform the White House to the Democrats. Hart said that he would not drop his bid for the presidency but that he would defer to Mondale who had voted for him. He added that Mondale had not offered him the No 2 slot on the ticket. But it is clear that Hart will not press his candidacy further, and one of his key advisers urged him to accept an offer.

If Mondale makes out—no longer the vice-presidential candidate. For his part, Mondale said that he had made no offer and added, "We are both agreed that the thing that divide us are modest compared to the things that divide us from Reagan."

The half-point increase in interest rates further revived the Democrats' spirits, while it embarrassed the Reagan camp. In the upcoming barrage of Reagan's estimated \$20 million on advertising campaign, designed to highlight U.S. prosperity, one of its features the recurring use of that figure, known for his Galle Wink said "This morning again in America... With interest rates about half the record highs of 1980, nearly \$200 billion today will buy new homes." Administration critics quickly pointed out that last week's increase, the fourth in as many months, meant that rates are only 7.5 points away from the 1980 level of 20.25 per cent. Not only that, but the current mortgage rate, 14 per cent in the United States, is only three per cent below the peak reached under former president Jimmy Carter. Defending the ads, John Baskin, press secretary for the Treasury, said, "The group of high-powered ad agencies who are planning Reagan's campaign, noted that they had run before last week's interest rate increase. He also said that none of the ads mentioned mortgage rates, although he claimed that "the housing mortgage situation" under Reagan has been dramatically improved and this is something we would be foolish if we did not point out."

However, starting at 19.5 per cent in May, according to department of commerce figures, compared to 13.7 per cent in April.

Still, Farrakhan's racist rhetoric dominated the week of Democratic political events. It was far from the party as it gathered for its annual convention in San Francisco next month. Indeed, many Democrats feared that Jackson's eventual repudiation to his ally might prove to have been too equivocal and too late to still the anger of Jewish supporters. In New York City, with Street Page in New York.

## Kohl sidesteps a scandal

For months the so-called Lambodoff affair was a sleeping monster for the government of West German Chancellor Helmut Kohl. But when Economics Minister Otto Lambodoff announced his long-expected resignation last week to face corruption charges, the immediate political damage was surprisingly slight. Within hours Kohl selected a successor for



Lambodoff: averting a scandal

Lambodoff's tiny Free Democratic Party (FDP), thus averting a potentially divisive scramble for the post among the three parties that form Kohl's coalition government. Yet, the chancellor's appointment of a little-known old-school lawyer, Martin Bangemann, immediately drew criticism that the chancellor was handing over responsibility for a troubled economy to a minister chosen more for political expediency than competence. Said the weekly magazine Der Spiegel of Bangemann: "To put it bluntly, he hasn't a clue about economics."

Whatever his abilities, the portly Bangemann's sudden promotion also suggests that the chancellor needed a buffer to lighten friction between Kohl's Christian Democrats and their senior coalition partners, Bavaria's Christian Social Union (CSU). The CSU's aggressive and highly ambitious leader, Franz Josef Strauss, 66, has long coveted a senior position in the Kohl cabinet. At the same time, he has complained that the FDP has enjoyed disproportionate power—the liberal party holds only 34 seats in the 498-seat Bundestag but controls the economy, foreign relations and justice portfolios. So when Lambodoff announced his resignation, CSU officials immediately demanded that the economics post go to a member of their party. But CSU official Theo Waigel said: "We have just as much right to it as the FDP." However, Strauss did not press his party's claim last week, perhaps because of the June 28 deadline in a car crash of his wife, Marianne. His failure to do so came as a relief to CSU members, who have long feared that, once in the cabinet, Strauss would dominate the unassuming Kohl.

For his part, the FDP may only hope that by keeping the economics portfolio its fortunes will improve. The party is still smarting from a humiliating defeat in last month's elections for the European parliament, when it lost all four of its seats—nudging one held by Bangemann. And the Lambodoff affair has overshadowed the FDP since November, when its Basic Law promoter's office charged the former minister, granted as one of Europe's most capable administrators, with accepting \$180,000 in bribes from the Pisk Group of industries. Airlines have also implicated the former state economic minister in North Rhine-Westphalia, West Ludwig Blumer, and two FDP executives.

The FDP's accident-prone past helped undermine the position of its leader, Hans-Georg Kieser, who recently responded to a series of accusations of criticism by announcing that he will stand down next year. Political analysts last week predicted that Bangemann's promotion will likely make him the strongest contender to succeed Kieser as chancellor. But his future may be less attractive. Bangemann was once considered the compromised but highly skilled Lambodoff with a relative novice at a time when the West German economy is unusually shaky, the chancellor has only limited one political liability for another. —PETER LEWIS in Brussels

## Jackson's 'rescue' operation

Rev. Jesse Jackson and 22 American failed hands and bowed heads prayerfully in Havana's Cuinadito del Rio prison. "We do not come seeking judgment about why you are here," Jackson told the men whom President Fidel Castro had agreed to release. "That's something the judicial process must handle. You are Americans and you are ours, and we are going to take you home." The emotional meeting was the highlight of Jackson's visit

to a portfolio. But he still years for a major role in the Democratic party, if not the presidential nomination. Before he set out Jackson vowed to "take a risk for peace" and added, "We must seek to make the Western Hemisphere a safer, freer zone." Jackson's first stop was Panama, where he conferred with representatives of El Salvador's leftist guerrillas. Later, he conveyed their four-point proposal for peace during talks with El Salvador's president, José

iménez whom Amnesty International listed as political prisoners—but Castro released 24 hours later.

Apart from the release of prisoners, Jackson's trip was long and symbolic—and it exposed his presidential campaign to severe risks. Jackson drew criticism for violating a long-standing tradition that politicians do not criticize U.S. policy while abroad. New York Times columnist James Burnham, for one, complained that the trip was "bad politics, bad diplomacy and bad manners."

Ironically, while Jackson toured the region, events in Washington, Mexico and Costa Rica promised to reshape U.S. policy in Central America. By a vote of 88 to 1, the Republican-controlled Senate deleted an administration request for \$21 million in fresh aid to the Nicaraguan contra from a \$1.1-billion U.S. spending bill. That shift makes it unlikely that Congress will approve further funds for the Central Intelligence Agency's operations against Nicaragua this year. In another development, leaders of the Costa Rica-based Revolutionary Democratic Alliance, one of two contra groups fighting the Sandinistas, last week expelled their leader, Edén Pastores. They charged Pastores, the legendary "Comandante Zero," with obstructing unity talks between their group and CIA-backed rebels based in Honduras. Together with Washington's hand itself, the fissure among the contra may cast doubt over the future of the anti-Sandinista war. In fact, the New York Times reported that the CIA is studying contingency plans to dismantle the rebels. At the same time, at the Mexican Pacific coast resort of Manzanillo, U.S. and Nicaraguan diplomats held two days of secret talks arranged during the surprise June 1 visit to Managua by Secretary of State George Bush. An end of hostilities between Managua and Washington suddenly seemed at least possible.

In Washington, Roberto D'Aubuisson, leader of El Salvador's right-wing army, received a chilly reception in Capitol Hill. D'Aubuisson, long accused of involvement with El Salvador's death squads, failed to win a U.S. war last November. He arrived with clearance last week under a fresh cloak: a New York Times report that some of his close allies had cooperated in May to assassinate the U.S. ambassador to El Salvador, Thomas Shannon. D'Aubuisson's staged display of involvement in the plot, and with death squad activity in general. But his trip, which the Reagan administration hoped would re-focus U.S. Navy pilot, Castro granted Jackson's request to release the 22 U.S. citizens who had been imprisoned for drug charges or border violations. The Cuban dossier initially refused another Jackson request—the freedom of 36 Cuban



Centre with Jackson in Havana, a rare exercise in diplomacy without portfolio

day tour through Central America and Cuba last week. Trading arms, secret service bodyguards and journalists, Jackson travelled to Panama, El Salvador, Cuba and Nicaragua. Although the FBI took some of the prisoners into custody as they return to Dulles International Airport, there were emotional scenes as relatives greeted the returnees. Jackson, who claims to have delivered more in his "behind-the-scenes" than any administration move in Central America, told reporters, "This a success because I tried."

Certainly, Jackson's tour was extraordinary—and controversial—exercise in diplomacy for an outsider with-

Nicolas Duran, in San Salvador. In Havana, Jackson held eight hours of private talks with Castro before flying to Managua for discussions with Daniel Ortega, the leader of Nicaragua's Sandinista government, which is under attack by U.S.-backed "contra" rebels.

Jackson's main accomplishment was a vivid recap of his December mission to Syria, which produced the release of Israel. Robert Goodman, a captured U.S. Navy pilot, Castro granted Jackson's request to release the 22 U.S. citizens who had been imprisoned for drug charges or border violations. The Cuban dossier initially refused another Jackson request—the freedom of 36 Cuban

—LENNY GUYON in New York



Shuts rejecting Pentagon proposals to force israel-style 'hit squads'

## THE UNITED STATES

### Declaring war on terrorism

Former Supreme Court Justice Arthur Goldberg listened silently to a panel of experts addressing the second Conference on International Terrorism in Washington last week. But when Walter Berns, a constitutional lawyer for the conservative American Enterprise Institute, advocated the use of harsh emergency measures and cited Abraham Lincoln's suspension of the writ of habeas corpus during the Civil War, Goldberg interjected a stern warning: "It would be very unfortunate if the response were to arise that terrorism should be combated by concentration camps. We fight terrorism by law, not by strength, not by weakness."

Tens of thousands attending the conference, including U.S. Secretary of State George Bush, Goldberg's remarks underscored an unsettling dilemma: how to defeat terrorism without diluting the democracy they seek to defend. French philosopher Jean François Revel, for one, argued that restrictions on civil liberties play into the hands of terrorists. But although the number of terrorist incidents in U.S. soil has declined to 81 last year from a peak of 180 in 1967, counterattacks against U.S. diplomats, businessmen and military personnel abroad have increased the Reagan administration's preoccupation with the threat. As a result, the White House has pressured four bills introduced by conservative congressmen, the severest of which would allow a secretary of state to draw up a blacklist of international

terrorist groups and the countries believed to be supporting them. Under the law proposed by the White House, an American who supported a proscribed group would face as many as 10 years in jail. Both Republicans and Democrats have condemned the proposed legislation as a threat to civil liberties.

A decision memorandum that Reagan signed in April is equally ambivalent in its approach to terrorism. According to White House sources, it calls for improved intelligence on terrorists and pre-emptive strikes. The final draft declares that counterterrorism measures must be conducted "legally." But White House sources said that Reagan added the stipulation belatedly when an inter-departmental study group rejected a proposal from senior Pentagon staff to form Israel-style "hit squads."

Some administration critics argued that the memorandum at least in part an election-year ploy designed to make Reagan appear strong without actually committing him to controversial action. For the same reason, the counterterrorism legislation now before Congress will, in the words of one senior congressional staff member, "be followed" until after the November presidential election. Still, if Reagan wins a second term of office and revives the proposals, he will likely face a long battle over the constitutionality of his counterterrorism plan.

—WILLIAM LINTHIC in Washington

## ITALY

### Closing ranks on the Left

Nine days after winning the most Italian seats in the European parliamentary elections, the Communist Party last week moved quickly to fill the vacuum created by the June 11 death of the charismatic former leader, Enrico Berlinguer. The party also moved with circumspection. The new general secretary is 66-year-old Alessandro Natta, a bricklayer's son from the northern coastal city of Imperia who was Berlinguer's chief deputy behind the scenes. The unanimous choice of the bespectacled former literature teacher indicated that the party wanted to continue the broad policy line—autonomy from Moscow, commitment to democracy and opposition to Italy's current parliamentary coalition—which have kept the Communists high in the public opinion polls.

Still, the smooth succession concealed strains and streams within the party. In all, 11 top party members did not vote. The dissidents included several leaders who are to the right of Berlinguer's past policies, as well as at least two members of the tiny pro-Soviet faction. Party insiders anticipated that a power struggle is inevitable between supporters of the traditional Berlinguer line and a potentially powerful group that is closer than Berlinguer was to the classic European social democratic model.

A generation gap may also be opening up between members in their 60s, many of whom would have preferred to elect 68-year-old press and propaganda chief Achille Occhetto, and some older party members who either feared party leader Giorgio Napolitano or liked leader Luciano Lama. But the overwhelming consensus was that the party should unite behind Natta while it recovers from the loss of Berlinguer and adjusts to the new tactical situation created by the victory of the country's leading political party. The Communists also believe that Socialist Prime Minister Bettino Craxi's 11-month-old coalition, riddled by partisan divisions, may not last much longer. Communist Party strategists say that if the government falls there could be opportunities for an alliance that would give the Communists their first-ever taste of power. That prospect is likely to mean that the leadership will defer any real changes in the party's structure or conduct in the next congress, in late 1986 or early 1987.

—SARA GILBERT in Rome

# Centre Court in a sporting summer

By Jane O'Hara

British writer Jane Austen once declared: "For what do we live, but to make sport for our neighbours?" Austen could have been writing about early summer in Great Britain, when royalty and workers alike turn out en masse to sport for relief. Starting with four days of pump and horse racing at the Royal Ascot in Berkshire (June 18 to 22), the glittering celebrations continue with the fabled Henley-on-Thames regatta in Oxfordshire, then to the world-class test at the Lord's cricket ground in London and then to the oldest golf tournament in the world, the British Open, July 19 to 22. But the peak in Britain's shimmering sporting summer is the All England Lawn Tennis and Croquet Club's two-week tennis tournament in Wimbledon. Before it ends this weekend in fashionable southwest London, 50 hours of play will be streamed to more than 300 million American TV viewers, and every Canadian tennis fan will take breakfast at Wimbledon in front of the television set.

Before the first serve at the 10th classic on grass, spectators overlook the usual stately decorum. Rules may be meant to be broken, but not at Wimbledon, as two-time winner and top-seeded John McEnroe of New York City does when he is served for his first-round match on Centre Court, wearing blue tennis shorts. At tradition-bound Wimbledon, while a roared crowd of 32,000 bores, the man whom the British press dubbed "Superstar" complied with an order to change into whites and came back to defeat Australian Paul McNamee.

In the Technicolor world of modern professional sport, Wimbledon is a remarkable spectacle to behold. The club has been upholding a ban against the Day-Glo yellow balls that players use as a course around the world. And the white balls are subjected to a quality test, officials drop them from a height of 100 inches and discard them unless they bounce at least 36 inches.

That attention to detail has made Wimbledon the one tournament in the world that every player dreams of winning. After American Chris Evert, a three-time Wimbledon winner, played her first match on the prestigious Centre Court, she referred to it as "a shrine." U.S. television commentator Bud Collins calls it the "Valhalla of tennis." Indeed, when the vast elliptical

building now covered with Virginia creeper was built in 1882 it was considered with reverence. The architect, Capt. Stanley Peach, ensured that the fabled Centre Court would not be covered by shadow before 6 p.m. and also that from any seat in the house spectators could see the ball, a white, penny-sized dot, anywhere on the court.

A crew of 30 groundskeepers, working year-round, maintains the grass in immaculate condition for the annual fortnight of competition. For decades players considered Wimbledon's courts the best in the world. During the 1970s, however, there was increasing criticism that the surface was too soft, and it offered too many top-heavy bounces. In 1982 Wimbledon hired a new head groundskeeper, Jim Thomas, from St. George's Hill tennis club in Weybridge, Surrey. There has been nothing but praise for the courts ever since. They are fast enough to suit a serve and volley specialist who makes the net, and yet they provide enough bounce for players who opt to rally from the baseline. Said Billie Jean King, the winner of a record 30 Wimbledon titles, "They are not like they were in the 60s—hard as concrete. The courts are a lot faster than they have been, but they are true, so they are just what I need in the playing a harder level of grass, dead grass, that seeps water and stands up to daily pounding from the aggressive competitors. U.S. television producers would like the All England to dye the courts a dark green, but traditionalists there is adamantly opposed. "If they were very, very green, I would be worried about about it," he said. "I want them a yellow-green. That way they are going to be not seen. A dark green would be lovely for television, but so good for the players."

Although the tournament's tradition hoppers, Wimbledon has had to change in recent years. To accommodate the crowds, the All England has increased the number of courts to 18 and added extra seating. Indeed, following McEnroe's triumph last year, Wimbledon organizers now pay \$175,000 worth of insurance to protect the club against possible lawsuits in the event that they

reopen courts. To accommodate the crowds, the All England has increased the number of courts to 18 and added extra seating. Indeed, following McEnroe's triumph last year, Wimbledon organizers now pay \$175,000 worth of insurance to protect the club against possible lawsuits in the event that they



Wimbledon traditionally: the action delivered the spectacle

reopen a two-week tennis tournament. The prize money also has increased to \$2.5 million this year from \$1.6 million in 1981. And international interest in the event has skyrocketed, mostly because of television coverage.

Tickets to the event are still difficult to obtain, unless the fan happens to be a member of the prestigious All England club, a visiting head of state or a top-seeded celebrity. The money, however, must try to win their tickets by letters. Every year thousands of Britons mail their names and money in hopes of getting one of the day tickets that sell for

\$88 for Centre Court. Prior to the lettering system, thousands of avid fans brought sleeping bags, camping stoves and coolers of champagne, sometimes waiting as long as a week in the famous "Wimbledon queue" to buy their tickets for the tennis tournament, perhaps even for the finals. Some received mail addressed to their care of "The Gwyneth House, Church Road, Wimbledon." Yet even the famed queue has succumbed to modernization.

As well, Wimbledon is no longer the elite social event it used to be. Professionalism and commercialism in tennis

much a garden-party atmosphere. People used to dress up far more than they do now. Then it was a carefree social occasion—very much like the Lord's tests. Dingley and Airedale.

For the players, however, Wimbledon has remained a quiet, throwback to a time when the male players wore long skirts and hats. As a reminder of the tournament's history, each year organizers give participants round paper-die badges and a two-week supply of "high tea" tickets. Yet there are frustrations. Players complain that it is almost

sett, 36, the first Canadian to be seeded at Wimbledon, a place in this week's final would have been enough. After winning her first two singles matches and a doubles match, Bessent, seeded 10th, was upset Friday by unseeded Anne Hobbs of England. Had Bessent won, she would have faced Martina Navratilova, who dominates her game like no other competitor in any sport. Navratilova won the singles title at Wimbledon, the U.S. Open and the Australian Open in 1983, and the French Open last month—the Grand Slam of tennis. With partner Pam Shriver, she also took the



Bessent, McNamee no longer an elite social event, but still no room for blue shorts or yellow balls at the Valhalla of tennis

have made it more democratic and accessible to all levels of society. Although vendors still sell the traditional strawberries and cream on the grounds, they have been overtaken by the Coney Island swirl of omelets and hotdogs on the griddle. Except for members of the Royal Family, who sit in the royal box at the end of Centre Court, women no longer wear fancy hats and flowery dresses. Men have forgotten coats and ties for open sports shirts. Said Bessent's coach, the Wimbledon chairman, "Wimbledon has changed quite a bit in the past 25 years from the time when it was very

as difficult to book practice courts as it is to be fast to get Centre Court tickets. And, said McEnroe, officials conduct themselves with such detachment that players feel "they don't really want you as level you wish respect." Despite the main purpose of the criticism, this year tournament organizers have agreed to treat the players better. Said Bessent: "It was about time we realized the players brought in the money and that we had to be less aloof from them. We're working on it, we want to know what they want."

For Canada's darling, Carling Bassett, the Wimbledon tournament is a double championship at all four events. As Navratilova's seed after the French Open, "I have transcended another level."

So have Britain's sporting weeks of summer. No sooner will the Duke and Duchess of Kent crown the 1984 Wimbledon King and Queen than Britons will turn their attention to the hallowed birthplace of golf, the Royal and Ancient Golf Club of St. Andrews at Fife, Scotland. There, speaking is hushed tones is also an absolute must, but outdoor golf balls are in.

With Paul Kesting in London.

# NHL's soldier-scholar

Charles Sutherland Campbell provided for 20 years over the game he loved. When he died last week of pneumonia, just 15 days before his 79th birthday, the former president of the National Hockey League was best remembered as the man who guided professional hockey through its most turbulent era—and for his staccato in

defying angry Montreal Canadiens fans in 1965 during the notorious Maurice (Rocket) Richard affair.

A Rhodes Scholar and graduate of the University of Alberta law school, the native of Fleming, Sask., rose to the rank of lieutenant-colonel in the Cana-

dian Army, Campbell said later. "I guess that's why [my general] approved of me as president. They knew I was a soldier and could take orders, regardless of my personal feelings."

Stations was the order of the night after Campbell suspended Richard on March 16, 1965, for one of three penalties of the season and for the playoffs because three days earlier Richard had struck linemen Cliff Thompson and Vic Brown Brian Hall Layton with his stick. Despite threats on his life, Campbell attended a Montreal-Detroit game at the Forum the day after the suspension. There he faced an angry mob of fans who spat at him and hurled fruit and debris. Only when a tear gas bomb exploded near his seat did Campbell finally leave the arena. The mob spilled onto the Catherine Street and began a night of window smashing and confrontations with police. Refusing to be intimidated, Campbell ruled that the Canadiens would have to forfeit the suspended game to the Red Wings, Campbell said later. "The league governors were unanimous that I had done the right thing. From then on I was the real president."

Campbell retired in 1971, when he became honorary chairman of the NHL. In 1980 he served a token one day in jail and paid a \$25,000 fine when a Quebec Superior Court convicted him of conspiracy in the Sky Shops case. Campbell and a business associate, Gordon Brown, had sold shares in Sky Shops Export Ltd., a duty-free shop at Dorval airport near Montreal, to Senator Louis Gauthier at prices below market value.

In the end, Campbell left a legacy embracing some of the most progressive policies in professional sports. He wrote the first NHL constitution and bylaws. He introduced the two-penalty rule, still considered the best in professional sport, designed the NHL's intraligament draft and advocated larger player salaries. He also strongly opposed expansion beyond the six original teams. The six-fielding 1967 expansion to 12 teams would eventually prove him right.

Although he developed heart and respiratory problems in the late 1970s, up until his death Campbell administered the Phoenix Flyers' franchise, which he established when he was league president, to provide financial help to needy players and their families. But he will be remembered best as a scholar who presided over the league's most expansive era, and he made no apologies for his balance on the ice. He considered that fighting was a natural release valve in a game played at high speed and said, "We have a sport that by its very nature is violent." That violence has been tempered somewhat, but it is still the game that Campbell loved and presided over longer than any executive in any other professional sport. —BLM, QUITER



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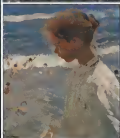
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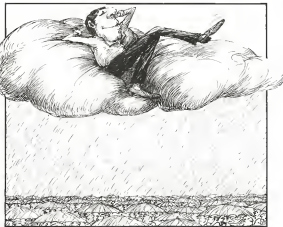
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## PEOPLE

When director **Mike Nichols** revealed last month that he was searching for an actress to replace Tony Award-winning **Christina Ricci** as the spirited wife in *Yankee Doodle*, Nichols let *The Real Thing*, more than 20 hopefuls scrambled to the audition. One was **Anna Camp**, a 22-year-old native of Dallas, Tex. (population 175), whose major roles include the film *Boys n' Girls* and *The 25th of May*. She got the part anyway. Said Nichols: "She is a beautiful woman and a first-rate actress." This week Nichols opens with a new cast that includes **Carolyn Leigh**, a lead originally scored by actress **Genevieve**, and **John Vazary**, who is filling in for vacationing machine idol **Jeremy Irons**. "Unknown means nothing," said Nichols. "And if Mike Nichols is willing to take a chance, I am, too."

**Page** John Paul's September Canadian visit is crisscrossing with a wide-spread and relentless focus on women. The Canadian Conference of Catholic Bishops has been hard-pressed to prevent its image from appearing on short glasses and lunch pads. But the bishops gave an unqualified blessing last week to a poster reproduced from a painting of his business by Toronto artist **James Hill**, 55, whose evocative illustrations have graced the pages of magazines, including *Madison*, for 32 years. This week 250,000 posters will go on sale for \$2 each in 450 Shoppers' Drug Mart stores, with the proceeds going to the *Canada's Drug Abuse*, which the church's chairman, **Marcel Koffler**, founded in 1968. The *Marcel Koffler* Foundation.

Clark (right), Murray and Campbell more than just the obligatory blonde



Laport, Vazary, Simon Jones and Nichols taking a chance on *Boys n' Girls*



Auxiliary Bishop of Toronto, declared, "There are some great people things for sale that deserve the Pope's office and person." As for the Pope's painting, Well said, "The subject is really more reminiscent of the people's personality."

Fourteen years ago **Anna Murray** trailed across North America and Europe in **Gin Campbell's** wagon train. Now she has a firm grip on the reins. This spring, to mark his 50th anniversary in show business, Campbell planned to tape a one-hour pay TV special with Murray, **Kim Kristensen** and **Mal Till** at Lake Tahoe. Mrs. Bet because of Murray's previous commitment, Campbell had only his own and crew to Kristensen, Ont., near her Toronto home, to perform last week. Reported Campbell: "I knocked me out when I called her to do the show and she said 'No.' But he added that he could not mean "The parcel was I have never worked with." The extraordinary woman Murray offered another reason: "Gina had to work his brain to come up with a blonde."

Strapping the West last week, former Conservative prime minister **Joe Clark** accidentally arrived in Vancouver the day after **Mr. Justice Bannister** mentioned one of the most notorious left-wingers, **Brent Taylor**, 27, to 22 years in prison for his part in the "Squashy River" terrorist activities. In a sense Clark and Taylor are old acquaintances. In 1977, when Clark was speaking at the University of British Columbia, Taylor hit him on the back of the head with a cream pie. Recalling that incident, Clark said: "The RCMP figured they should have kept an eye on him that day. He was the only one that came to the microphone to ask a question wearing surgical gloves."

—EDITED BY BARBARA EDITION





COVER

# The plummeting dollar

By Ross Laver and Ian Austen

**W**hen banks in the United States, led by the First National Bank of Chicago, began to raise interest rates last week, the outlook for the fragile Canadian dollar darkened rapidly. Throughout the vast telephone- and computer-linked network that forms the world's money market, reports that U.S. prime interest rates were climbing by half a percentage point produced a swift reaction. Money traders at the influential Chicago Mercantile Exchange and other key financial markets quickly drove up the U.S. dollar's value at the expense of almost every other major Western currency. Then the Bank of Canada raised its trend-setting interest rate to 12.25 per cent from 11.56 per cent in an attempt to prevent another flight of Canadian funds to U.S. greenbacks. The effort failed, and the dollar finished trading at 75.96 cents as June

30, the lowest point in history, and ended the week at 75.90.

Like a weakened patient gradually being nursed back to health, Canada's economy has been making a slow recovery for 18 months. But last week's events

**A weak dollar and rising interest rates have spread new anxiety among consumers and businessmen**

raised new fears of a serious relapse. In the aftermath of the central bank's moves, major lenders hiked their prime lending rates to 13 per cent from 12.5 per cent. That, in turn, will raise higher mortgage and consumer loan costs at a time when most Canadians are still feeling the aftereffects of the worst economic slump since the Depression. Last week

the Bank of Nova Scotia led major lenders in raising five-year mortgage rates to 15 per cent. And economists were virtually unanimous in predicting a continuing upward trend in borrowing costs, with some experts estimating that the prime rate could hit the 16- to 17-per cent range by mid-1985. In the House of Commons, Conservative finance critic John Crosbie warned that the rise in the bank rate will "bring on a recession that we are just steps away from right now."

Indeed, while there have been signs of a recovery on paper, few Canadians have reaped the benefits. The most troubling indicator: an unemployment rate of 11.7 per cent. Manufacturers and retailers have ridies a consumer spending boom that fuelled the first stage of the recovery last year. But major companies have cut, made long-term investments in plant and equipment, which would create new jobs for the 1.5 million unemployed. At the same time, the rate of bankruptcies has moderated only slightly. Personal bankruptcies in the

Chicago Mercantile Exchange: frenzied trading to acquire U.S. funds undercut the Canadian currency

first five months of 1984 total 10,069, compared to 12,611 in the same period last year. Meanwhile, business failures fell to 4,373 from a 1983 level of 4,638.

Because 74 per cent of Canada's \$60 billion in imports come from the United States—and must be bought with inflated U.S. currency—price increases are inevitable. Consumer reaction was quickly evident. Said Nick Luciani, chief import buyer for P.G. Lester Co. at the Ontario Food Terminal in Toronto, the major clearing house in Canada for fresh and vegetable imports from the United States: "Our sales have dropped considerably as compared to a month ago." Shoppers will be spared some of the increased costs because cheaper foreign-made products are now on the way to grocery store shelves. "But," added Luciani, "I am afraid we will be serious trouble by fall, when we have to go back to buying everything from the United States. The battered Canadian dollar is the culprit." For his part, Conference Board of Canada economist Steven Constantine predicted that a household's average food bill will rise 7.5 per cent this year, compared to an overall inflation rate of 4.6 per cent.

Other imported products will also cost more. According to an estimate by the Canadian Importers Association last

week, the price of almost all consumer goods in Canada—including food—will rise by two per cent if the dollar remains at its current level for several more weeks. Declared Keith Hout, president of the 196-member group: "The slippage

Latvian: interest among finance officials



value of our dollar against the U.S. dollar is going to have devastating effects on consumer prices." And because many imports from Japan are also purchased in U.S. dollars, consumers will pay more for videotape recorders, stereo equipment and microwave ovens. Ben Thibault, general manager of finance for Matsushita Electric of Canada Ltd., distributor of Panasonic products, said that his company's costs have risen 5.6 per cent since January as a result of the dollar's weakness. Said Thibault: "In some cases we have passed on that cost increase—the consumer is suffering." In other instances fierce competition in the market has forced the company to absorb the added costs itself.

Indeed, but the outlook is not overwhelmingly bleak. As the dollar fell, Canadian tourists and visitors benefited from an influx of foreign visitors. Between January and April the number of U.S. visitors staying at least one night in Canada was 4.5 per cent higher than it was in the same period in 1983. At the same time, the number of Canadians crossing the border fell 2.2 per cent in April—the first monthly drop in almost a year. "So far, the signs are all to our advantage," said Peter Chou, a spokesman for the tourism research branch of the department of regional industrial



Stewart: homebuyers face increased load costs, retailers fear falling business, and farmers look glumlier

## COVER

expansion. Canadian border towns are smug in U.S. dollars.

Stad Blay Bluffman, executive director of the Windsor, Ont., Downtown Business Association: "We do not keep statistics, but I did a tour of the parking garage and three out of five of the cars are American." One local fashion retailer, Barbara Bonetto, reported a startling response from Detroit residents driving across the border

to shop. "They love it, they really do. It's like getting 30 cents on the dollar. I would shop here too." However, Mary Olekuk, owner of Mary's China Shop, noted that the shrinking dollar will ultimately result in an increase in the price of some goods. "Right now we are all benefiting," she said. "But sooner or later it is going to catch up with us"—when existing stocks of imported materials run out and new shipments arrive from overseas.

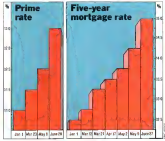
Other centres across the country are also enjoying an increase in tourism. Frances Dill,

owner of an Indian crafts boutique on Vancouver's fashionable Gastown district, said that as much as a third of her business this summer is with American visitors. "We have had a lot of them, and they are quite enthusiastic," she said. In Montreal last week tourists Sam and Brenda Franklin of Fresno, Calif., said they had decided to make a side trip to Canada during a visit to Boston. "It was one of the pleasant surprises when the bank gave us 30 cents on

the dollar. It means we can afford to go out and spend more."

**Optimistic.** But in addition to a weaker dollar Canadians will also be faced with higher interest rates. In interviews with *Money*'s economists predicted a continued rise in leading rates at least until early 1985. The most optimistic scenario called for prime rates in the 13-per-cent range until March, 1985, when they will start to decline. New Guinea, an economist with the Canadian Imperial

Bank of Commerce, recently forecast that the rate will reach 13 1/2 in the next six months. But last week, in the wake of the latest rise in the bank rate, Gertner admitted that his prediction was probably optimistic. Said he: "Every day that goes by, we get the feeling that, if nothing, we have erred on the side of optimism." By contrast, Frank Hrusa, an economist with McLeod Young Wels Ltd. in Toronto, predicts a 14-per-cent prime rate in the next six months. And by mid-1985 he expects it to reach 16 per cent. The result, he warns, will be a renewed recession in 1985 "as high interest



Underground mining operation: for resource firms a falling dollar boosts export earnings by millions of dollars

rates choke off economic growth."

If that happens, the highest-hit sector will be the housing industry. Indeed, many analysts believe that mortgage rates have already climbed high enough to deter thousands of potential purchasers. Said Toronto-based housing consultant Frank Clayton: "It is terrible—it is just bad news for people wanting to buy a house." Clayton's own studies suggest that an increase in mortgage rates to 10 per cent would reduce the potential number of renters who could afford to buy an average-priced home to 255,000 from 450,000. "The bankers are already reporting that traffic has virtually dried up," he said. Clayton's own advice: "If I were a first-time buyer I would put down a healthy down payment—25 to 30 per cent—and opt for a variable rate mortgage or a one-year term. sooner or later rates have to start falling again."

Two Toronto people nervously watching the housing market are Jennifer Goffredo, 35, and her husband, Blake. They have combined yearly earnings of \$55,000 and they have owed \$1,900 toward a down payment of \$20,000. With rates now climbing steadily their goal seems remote. "It is discouraging for sure, but we just feel that if we tighten our belts and work hard we will get there eventually," Jennifer said. Pat Mitchell, a 35-year-old Vancouver Sony saleswoman, faces renewal of a \$35,000 mortgage, currently at 13 1/2 per cent, in August. Said Mitchell: "It is a whole

process of timing. You just extend know how one week to the next, what if it is going to cost you 1 and it frustrating." Mitchell is especially critical of the federal government for allowing rates in Canada to rise or fall in tandem with those in the United States. "I think that for the central goal of the economy the government should be paying a little less attention to what is going on over the border."

The United States is in the midst of a

## Bankers slowing a lagging economy



rapidly different economic environment. Heavy military spending, healthy corporate profits, strong consumer spending and relatively low wages are fueling a continuing boom. The nation's gross national product is growing at an annual rate of 3.7 per cent, compared with Canada's 2.1 per cent. The unemployment rate in the United States is 7.4 per cent, while Canada's remains at 11.7 per cent. The U.S. inflation rate is 3.4 per cent, the Canadian rate 4.8 per cent. Still, analysts express concern that the pace of the U.S. recovery may be slowing. And it is partly to prevent the pace of economic activity from becoming too rapid that banks allow interest rates to climb.

**Difficulties.** There are other pressures pushing up U.S. rates as well. The government's deficit has climbed to \$177 billion, and the United States has to maintain high interest rates to attract capital from other nations to fund its enormous debt load. In Canada's case the rise in U.S. rates last week took place at a particularly difficult time. The end of the first half of the year is the point at which every Canadian subsidiary of U.S. firms are required to pay dividends to the parent companies. And the payments have to be made in U.S. dollars, increasing the demand for greenbacks and weakening the demand for Canadian dollars.

The developments placed Bank of Canada Gov. Gerald Bower in an uncom-



Croebie, Pat Mitchell and wife, Meris: the Tapp position swiftly shifted



## COVER

ally difficult position. For several weeks, Croebie has been under a determined largely by the bank's trend-setting rate, but he held slightly below those in the United States, largely to prevent the economic recovery from flailing. But the lower rates made the Canadian currency even less attractive to hold. As a result, when the dollar continued to weaken Boney raised the rates to a level roughly equal with those in the United States. But his action was not strong enough to reverse the dollar's downward trend. Richard Wilhelm Dickerson, a currency trader for the Toronto Dominion Bank. "They will have to do something dramatic or they will still be in the squeeze."

But Ottawa's dilemma was of little interest to distressed homeowners like Don Scott, a Halifax chartered accountant. The 35-year-old Scott purchased a \$75,000 condominium last year in hopes of generating a \$500 increase in his monthly payments when his mortgage falls due on Nov. 1. Scott fears that he may have to sell. Scott Scott: "I only chose a one-year term because it was cheap and I speculated that with a U.S. election and a Canadian election, interest rates would hold down."

Bunge's country's weakest housing market is in Alberta. In Calgary prices for an average two-bedroom house have dropped by as much as 14 per cent in the past year. "I said," said Claude Bont, vice-president of real estate for Royal Trust, "they have not bottomed out yet." Added John Bushborough, a sales associate with Re/Max Landon Real Estate: "There was a real surge of activity earlier this year, but right now my telephone paper just is not going off as much."

Farmers, too, are increasingly pessimistic. From bankruptcies across the nation continue to increase. Last year they lost \$1.4 billion, and in the first five months of this year there have already been 234 farm failures. The conference board's Constantine is concerned that a surge in borrowing costs will increase that trend, particularly since interest payments on loans already represent the third-largest share of a farmer's expenses (after machinery and feed). Said Constantine: "Rising rates will make a tough situation more difficult."

For the unemployed the prospect of a general slowdown in the economy means that the chances of finding work are probably worse now than at any time since the beginning of the recovery in early 1983. The unemployment rate among 16- to 24-year-olds alone is a staggering 19.7 per cent—a figure that conference board chief economist

Thomas Maxwell contends will gradually climb over the next four years. The reason: a renewed recession in the United States by late 1985 creating a similar downturn in Canada. Maxwell added that thousands of young people who enrolled in universities and colleges to escape the last recession will be leaving school by next year, further glutting an already crowded job market.

The job search has frustrated Brian Boudette, 26, who graduated from Toronto's York University May with an honors degree in economics. Originally, Boudette hoped for a position in financial administration but, after applying for more than 120 jobs without success,

commenced "A slowdown in real estate spreads quickly to furniture and appliance sales, he added. In fact, the signs are that after jumping ahead by 2.1 per cent last year, furniture spending will fall off this year. The prospect of rising loan rates is very worrisome to Montreal appliance dealer George Aiken, 54, whose store, Grand Appliances Ltd., has been in operation for 30 years. At the end of borrowing mistakes, he said, people delay buying such big-ticket items as stoves and fridges. Said Aiken: "People get very depressed about it and say, 'Maybe we will just put off buying an appliance.'" Montreal furniture retailer Yves Fischer agrees. For her cus-

But Canada's major resource companies have the most worrying problems. Still struggling to rebound from a slump that hit them harder and later than the rest of the country, the large forestry and mining companies that underpin the economy are only now feeling back to profitable positions—and are still saddled with enormous debts. The one positive note is that the cheaper dollar has helped international sales. Indeed, Iron Ore spokesman Ray O'Brien estimated that for each one-cent decline in the Canadian dollar over the course of a year, his company reaps \$5 million (U.S.) gains in before-tax revenues. Said Adam Kozminski, chairman of Neo-



Detroit auto production: even the strong squeeze in car sales may be dampened by punishing loan rates

he is now willing to work in marketing or sales. "It is very difficult in the trap of discouragement, but you have to keep fighting," he said. "Otherwise you wind up watching endless waves of bankruptcies instead of hunting for jobs." Still, Boudette is optimistic enough about his chances that he has turned down several less exciting offers. "One guy wanted me to drive around to parking lots selling used out of the back of a refrigerated truck," he said.

Among businesses the weakening dollar and the rising cost of money pose a particularly serious threat to retailers of furniture and appliances and, to a lesser extent, auto dealers. Said banker Gustin: "Rising interest rates cause a psychological malaise to set in among

buyers: furniture is a luxury purchase, and when money gets tight, he said, "People can do without furniture." Fisher described the recent recession as "murder" for his business. Her sales dropped by as much as 50 per cent, and her own income has dropped to less than \$10,000. In the past six months business has picked up, but, concerned about increasing interest rates, she added, "I know that it can't last."

Downside: Even the headstrong auto industry, which recorded a 24.1 per cent rise in sales last year over 1982, will eventually be hit as rising interest rates tighten. Last week Chase Econometrics, a New York forecasting company, said that the downturn may be felt in auto showrooms by early 1985.

William Stewart Ltd. and president of its major sector, Noranda Inc. of Toronto. "Broadly speaking, the resource sector benefits more than it loses from the changes so far, but all that could change as rates continue to rise." In MacRae's case, he said, a two percentage-point rise in rates "would give us another \$20 million worth of interest to pay on our floating-rate debt."

In Ottawa, Prime Minister John Turner and Finance Minister Marc Lalonde insisted that a weak dollar is more sensible than raising interest rates dramatically to enhance its value. Turner, in his first week as Liberal leader, said that he supported Boney's policies and when pressed to say whether he is concerned about the dollar's fall, he

regime, "No." But Lalonde also pointed out that because about 70 per cent of Canada's trade is with the United States, it cannot afford to let the dollar drop indefinitely because of the inflationary impact of more expensive imports.

Despite Lalonde's statements his officials in the finance department had serious misgivings about Beatty's high interest rate policy. A mood of tension pervaded the department's headquarters in downtown Ottawa last week as economists wrestled with the prospect of higher money costs bringing the recovery to a halt, although officials would not express their views publicly, many believed that a decline in the exchange rate would be a lesser evil than further interest rate increases.

**Dilemma:** For the Opposition Conservatives the dollar debate has provoked some apparent indecision. Finance critic Crosbie originally declared that suggestion that the dollar should be allowed to fall indefinitely represented a "quest of despair." At the same time, Tory leader Brian Mulroney said he was faced with a choice between higher interest rates and a weakening dollar, he would choose a weakened currency. Then Crosbie shifted his position, saying "In the present situation the only possible alternative is to have a lower dollar or lower interest rates. We opt for a lower Canadian dollar."

For their part, the New Democrats contended that the government should place limits on the amount of money that is allowed to leave Canada. And last week, Bank of Governor Sir Lester B. Pearson said that Ottawa should establish a new "operational" tax. Based on a measure introduced in the United States by the Kennedy administration in 1965 and renewed in 1974, the program would tax away any extra earnings resulting from a spread between high U.S. interest rates and lower Canadian ones on long, short-term investments made outside of Canada.

Still, economists differ over the merits of Nydrom's prescription. Eugene Swenson, a public administration professor at Carleton University in Ottawa, for one, contended that the central bank should allow the dollar to slide and be acknowledged that a speculation tax would offset the effects. But the plan has major problems, he added. "The tax invites retaliation," said Swenson, arguing that the United States might respond with import quotas and tariffs on Canadian exports.

In a similar vein, Edward Shaffer, a University of Alberta economist, contended that currency controls, which would limit the amount of capital flowing out of the country, may be necessary



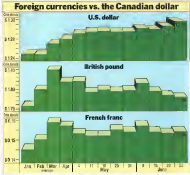
Bonnie, a tourist influx from Detroit

if Canada is to cut the link between domestic loan rates and those in the United States. Said Shaffer: "I do not like controls but when I measure the three alternatives—controls, high interest rates and a low dollar—I think

they are the least undesirable." Still, most economists consider exchange controls to be a drastic measure in an industrialized world that has committed itself—in theory, at least—to liberalizing the international trading system.

**Dilemma:** As economists and politicians debated the causes and prescriptions for the nation's falling dollar and mounting debt, many Canadians expressed a growing sense of futility about the future of the economy. And this week Turner, who must now decide when to call a federal election, is clearly aware of that fact. Opposition politicians and Liberal leaders alike agreed that Turner is in a particularly difficult position. Declared Conservative industry critic Michael Wilson: "Turner is on the horns of a dilemma. He is going to get thrown right into the centre of a financial crisis, and in view of that it is not the best time to call an election." An outgoing cabinet minister, who insisted on anonymity, agreed: "Turner is between a rock and hard place," he said. "There is no way he could pull the plug this week." Whenever the election is called, the waves of apprehension and confusion among Canadians over Ottawa's apparent helplessness in the face of a wounded dollar and surging interest rates will be major issues of contention.

With James Fleming, Barbara Hughes and Robert Black in Toronto, Carol Goss in Ottawa, Denise Lortie in Vancouver, Graham Stewart in Calgary, Dale Butler in Regina, Jennifer Russell in Montreal, Sheri Alden in Winnipeg and Lesley Gyles in New York.



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# Enterprising a special effect

By Peter C. Newman

"Eventually, we will be able to simulate real life," says John Penne, the marketing wizard who is taking the range of computer simulations in Canada.

It's no idle pronouncement. Penne leads a little-known Canadian enterprise named Onibus Computer Graphics Inc., which is deep into a new technology that is revolutionizing film and television. Penne's handwork is on view at the moment in the video control monitor simulations aboard the Starship Enterprise, in the film *Star Trek IV: The Voyage Home*, recently released by Paramount. Among his company's projects: the 3-D graphics for experimental sequences in Canadian-made TV commercials, including the opening for Labatt's broadcasts of the Blue Jays baseball games; the new version of the city signs, the introduction to the 19th and 21st editions of *The Journal*; the graphics for the 1983 production of *Alvin Tuller's The Third Wave* and the ABC-TV Tuller Christmas special, *Wings of Peace*.

Onibus's sales, running at \$2.1 million for 1984, are 35 per cent ahead of last year in a rapidly expanding, if still fledgling, sector of the entertainment industry. "It's now possible to have computer actors and actresses," Penne claims. "In time, we will either be able to manufacture stars with computer personalities, or we will create computer images that look like real people. We have already done this experimentally, and our company has worldwide rights to the Trigen 3-D simulation system. Instead of us moving on, the Irish movements of these 77 people will become art; they'll get more realistic facial expressions and will become people in their own right."

One of two Canadian companies in the field (the other is Vertigo Computer Imagery Inc. in Vancouver), Onibus started operations in January, 1982, and was founded by Penne, Robert Abel & Associates of Hollywood and Vertigo's Calvert City, Calif., which created the special effects for the Walt Disney production of *Tron* and Michael Crichton's *The Lost Boys*. Penne, who served as a product manager with Canadian General Electric and later became director of marketing for the car loan's agency division. He has always wanted to be an entrepreneur—but without any of the technological risks involved. "My

philosophy is that we shouldn't try to reinvent the wheel if we can put a trend on it and make it go faster." Originally financed by Kelly Jackson, whose father, Edson, was a pioneer of Canadian cable TV, the company recently expanded its financial base with a public offering of \$4.2 million in warrants and common shares, headed by Grouse Kirkland.



Penne: 'simulating real life'

president of Third Capital Corp. in Toronto. An 85-per-cent partner in the company has just been added to Vertigo Video of New York, but Penne and his partners retain 22 per cent.

The venture is growing so fast that Penne and his three partners of executives spend most of their time on the road, this month they are spending much of their time in New York and Los Angeles. The new studio will be linked to their Toronto home base by satellite

to cut overhead. Penne estimates that computer animation will grow "at a compound rate of 45 per cent annually" for the next decade, with the computer graphics market ultimately totaling \$1 billion a year. "We anticipate running three full-scale North American production studios and eight satellite branches," he says. "At the moment we have 15 employees. They can do the work of hundreds, still using optical photography, conventional film techniques or doing hand-drawn animation." The technology's most profitable breakthrough will be the commercially viable broadcasting of three-dimensional images on ordinary screens. "Creatively," says Penne, "most art directors today are trying for a computer look in films and commercials. But we can do anything with our graphic computers, including generating a software that deliberately has no computer look—a technique that could revolutionize films." Not all the hurdles are technological. "There are barriers to growth of any industry. You reach a threshold and then you pass through. In our business there are video people and there are film people, and they are like sailors and motorboats—they don't talk to each other. Because we are inherently a video people, so if you're a film crew director in an office, you're not too interested talking to us."

John Penne is one of the many high-tech planners gambling that his brand of technological marketing skills will make his company big. It's too early to predict success or failure for Onibus, but, unlike many small companies, its products could change the way we see our world—one at least how we entertain ourselves.

More of a businessman than a technician, Penne is obsessed with the idea of creating computer people or, as he coldly puts it, "simulating real life cost-effectively." He recognizes no ethical or economic limits in replacing live people with electronic imitations. "It's just like the early days of computers," he says. "There were predictions that all the accountants would be laid off and there wouldn't be anybody doing bookkeeping. The appetite turned out to be true. Computers expanded the need for information. They brought more skills and power in executive's fingertips, which then generated a whole industry, and more people and skills were needed. Computer stars will create their own human following."

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# A dismal setback for the shuttle

What we have been witnessing in the history of space travel turned into a disappointing failure last week for Discovery, the third U.S. space shuttle. First, a computer malfunction delayed its scheduled launch for 36 hours. Then, in the last seconds of the countdown on the second try, the launch engines started up briefly, only to shut down after three seconds because a small hydrogen gas feed broke out in one of the shuttle's three main engines. Recovery systems quickly quenched the flames, and the disappointed crew-member crew evacuated safely, but officials of the National Aeronautics and Space Administration (NASA) were left to count the costs of a delay of several weeks in the shuttle program. And behind the scenes private industries with plans for investing in space had to wait for a future mission to pass the way for extraterrestrial commercial ventures.

Discovery's flight crew included the first representative of private industry to be scheduled for a space flight, engineer Charles Walker of McDonnell Douglas Corp., a St. Louis, Mo.-based aircraft and aerospace manufacturer which is actively investigating commercial possibilities in zero-gravity, microgravity conditions. During the voyage Walker planned to isolate a unique natural drug that technicians have great difficulty producing in the Earth's environment. McDonnell Douglas spokesman refused to say precisely what kind of drug Walker would be working with. But they said that his sample would be tested on animals and that the company hopes to have U.S. government approval to sell the drug to millions of potential users by 1987.

When Walker eventually performs his lab work in orbit, it will mark the beginning of an ambitious program that McDonnell Douglas has planned for future space voyages. In partnership with Ortho Pharmaceutical Corp., a division of the large Johnson & Johnson medical products company, McDonnell Douglas has identified 15 substances that it hopes to be able to produce in marketable quantities in space by the end of the century. The company's program manager, David Richman, refused to name any of the products or the diseases they could cure because of the fierce competition in the pharmaceutical industry. But they are all naturally occurring proteins, enzymes, hormones or cells.

Such substances are extremely difficult to isolate in large, pure quantities

on Earth. But in the vacuum of space, in the absence of gravity and rising heat currents, they should be relatively easy to collect with a process called electrophoresis—the separation of molecules according to electric charge. In fact, McDonnell Douglas is so confident it can create commercial quantities of drugs in space that it is planning to build its own "space factory" by 1988. Shuttle crews would visit the orbiting facility twice a year to collect products and deliver new

plants to be on board. But industry analysts point out that it is still too early to predict the main directions space developments will take. Phoenix-based futurist G. Harry Stone, author of the 1983 book *The Third Industrial Revolution*, compares the first commercial ventures in space with the spike and rift trends of the 19th century, which changed the course of world history. Said Stone, "I would not be surprised if one of the first space products will be jewelry—it is just



NASA reviewing of a plan for manned space station, calling services in space.

raw materials. And McDonnell Douglas is looking for potential customers. Said Richman, "We would like to sell our services in space, to be a contract manufacturer for pharmaceutical companies."

McDonnell Douglas is clearly leading the way in terms of private industry commitment to space ventures. But there are many industries besides pharmaceuticals that can potentially take advantage of weightless conditions in space—among them, computers and metal alloying. And as NASA moves closer to its stated goal of having an 80-ton space station in orbit by the early 1990s, many companies, both in the United States and Canada, are making

very big, it does not weigh much, but it is very expensive. To wit, it only has to have an appearance that cannot be duplicated here on the ground."

So far, no jewelry company has approached NASA. But another industry with long products worth their weight in gold is beginning the ascent into space: the makers of semiconductor material. For high-speed complex computers, Basco's Raminetzki, executive vice president of Microgravity Research Associates (MIRA) of Midland, Tex., does not expect that crystals of the synthetic compound gallium arsenide, which his company is planning to produce in space, will replace silicon, the majority of the computer industry

But, he added, "Just as silicon can do things the various tubes cannot, so gallium arsenide can do things that silicon cannot." As a result, he is looking forward to a one-off, but lucrative market supplying manufacturers of computers, lasers and other equipment requiring extremely high-speed, temperature-tolerant and radiation-resistant components. Raminetzki's five-year-old company has only three employees but it makes up for lack of size with an undisciplined imagination. It has raised \$2 million from private and corporate backers to finance sending automated equipment on a 1986 shuttle flight to produce gallium arsenide and hopes eventually to establish its own micro-factory in space.

proposals area that has already been covered in space shuttle flight. But most Canadian aerospace companies are too small to finance major ventures on their own and, as a result, they are forming a new role for themselves as middlemen between potentially interested manufacturing industries and venture capital sources. Even so, timing is an important factor when large investments are tied up for a considerable length of time. Said Kenneth Lewis, president of the Aerospace Industries Association of Canada, "Our companies have the technical capability [for space manufacturing], but it is too early for us to get set up, build a space shuttle or space station. There is a long period of time before the payoff."



Walker with drug separation equipment. 'we may have to collect some things'

In Canada the National Research Council (NRC) is looking for companies with similar ambitions in space. In May offer of \$24 million worth of research grants to help define what role Canada could play in building and using the space station has attracted proposals from 15 companies. The grants are to be awarded next month, and the six will not get name the applicants. But McLean has learned that among them are Genesee Ltd. of Vancouver, a mining and refining company, Canadian Astronautics Ltd., an Ottawa aerospace company, and CIMA Group Ltd., a Toronto services firm that worked with another Toronto firm, Spar Aerospace, on development of the successful space

In the United States industry analysts generally anticipate a bullish future for commercial ventures in space. Dedicated Peter Glasser, vice-president of Cambridge, Mass.-based Archid Inc., an international management and technical consulting firm, "Moving into space is the most important step in human evolution since we crawled out of the ocean onto dry land." And the Massachusetts-based Center for Space Policy, which evaluates commercial opportunities in space, predicted that by the end of the century space-made pharmaceuticals will generate \$67 billion in annual revenue and gallium arsenide semiconductors another \$31 billion. Meanwhile, U.S. industrial scientists

are eagerly looking forward to experimenting in space with environment and environment combination without heat or light. Said Christopher Pridmore, director of the science research laboratory at the St. Paul, Minn.-based 3M Co., "We may have to understand things in space. What if you ran a chemical reaction up there and it came out differently than down here?"

Still, even the biggest companies and their shareholders are concerned about the enormous expenses often involved in space research, the enormous risks and the 10- to 15-year lags before profits begin to flow. Last week's Discovery disappointment heightened these concerns. A White House committee is currently looking into ways of encouraging investment in space, though tax incentives and regulation changes, and NASA itself plans to set up a high-level office to co-ordinate commercial use of space. But the space agency now has to concentrate on the problems that have plagued the shuttle program all this year.

Originally, NASA expected to mount 30 shuttle missions during 1984 but last week's setbacks were down to six. During one of the two missions it was carried out in 1984, an eight-day flight, the shuttle Challenger, in February, the small rockets on a launch system malfunctioned, and two multifunction-dollar communications satellites were lost in space. Those losses alarmed Thrust Canada, a world leader in satellite construction technology and the company cancelled long-standing plans to have one of its Avco satellites launched during Discovery's maiden voyage. NASA also had to cancel two of its missions when the U.S. military backed out of the shuttle program over classification with the satellite launch facilities.

It takes months to prepare high technology for a launch, and there were fears that last week's setback will further erode confidence. That, in turn, could lead to further shuttle flying with cargo being less than full. For NASA's part, agency spokesmen who did not want to be identified estimated that the delays for repairs and tests on Challenger—some which will take at least three months—were costing the agency \$1.5 million a day. But in many parts of an aerospace industry that has its future tied to the success of the shuttle and the establishment of a space station, optimism still reigned. Said Ronald Glasser, vice president of the Aerospace Industries Association, a Washington-based trade group, "There is an awful lot of pride about this latest delay, but we can expect these things for the rest of the century. Where were the Wright brothers when they took flight?"

Reviewed by Dr. P. H. HARRISON, with William Leather in Washington and Ann Mulvihill in Toronto.



# Vindication for the lobbyists

By Gordon Legge

The right-wing pressure group known as the National Citizens' Coalition (NCC) swiftly heralded its victory. Last week, when an Alberta Court of Queen's Bench judge ruled that amendments to the federal Elections Act violated the freedoms of expression guaranteed under the Canadian Charter of Rights and Freedoms, the NCC issued one of its trademark newspaper advertisements "National Citizens' Coalition defends federal government," the headline declared, adding "Freedom of speech restored to Canadians." Then, the controversial organization sent a telegram to Prime Minister-designate John Turner, urging him to reject any effort to overturn its ruling. But constitutional experts predicted that the case will soon be before the Supreme Court of Canada—and Ottawa will have even more deftly the limits imposed by the two-year-old Constitutional guarantee of freedom of expression. Although the justice department made no immediate decision, University of Alberta law professor Bruce Elman declared, "I would be very surprised if the government did not appeal this ruling."

The unprecedented argument that Parliament passed full-fledged advertising that supports or opposes a party as candidates during a federal election—unless the advertiser has their authorization. They also provide for a maximum fine for offenders of \$10,000 and as many as five years in jail. The new provisions, known as Bill C-60, received the unanimous approval of all three federal parties in a 40-minute hearing in Parliament last Oct. 31. But many lawyers, civil libertarians and advocacy groups attacked the bill, arguing that it excluded large numbers of Canadians from the democratic process.

Mr. Justice Donald McKeown's ruling in Calgary provided at least a measure of vindication for John Brown, the NCC's self-proclaimed founder and president, who brought the suit against the government in January. His group has attracted public attention with advertisements in major newspapers over the past 15 years, featuring blunt attacks on federal policies and programs. But the NCC's assault on Bill C-60, which it nicknamed the "rotten-should-be-seen-and-not-heard" bill, struck a responsive chord. Various groups, including the Canadian Daily Newspaper Publishers' Association and the Canadian, Ontario and Atlantic Provinces Chambers of

Commerce, rallied to support the 30,000-member NCC.

During the three-week trial, which began April 16, federal officials argued that powerful special-interest groups with large budgets could exercise undue influence in an election. As well, the amendments were a response to the emergence in the United States of large lobbying groups known as Political Ac-



Brown: a freedom-of-speech issue

tion Committees (PAC). Political analysts estimate that by the end of the U.S. presidential campaign in November, various PACs will have spent \$200 million. Canadian government lawyers built their case on Section 1 of the Charter of Rights and Freedoms, saying that the amendments are within what that section calls "reasonable limits" on freedom of expression. Canada's chief electoral officer, Jean Marc Houle, one of Bill C-60's principal architects, testified

that it would be unfair to candidates and parties if they had to observe election expense limits while nagging interest groups did not.

For its part, the NCC remained adamant that the amendments, by limiting election advertising by nonpoliticians, violated the right of freedom of speech as defined in Section 2 of the Charter. NCC lawyer Alan Hunter maintained that Bill C-60's restrictions impaired the election process and damaged democracy. In his opening statement in court, he asked: "Should we sacrifice these fundamental rights and freedoms on the altar of expediency?" Hunter said that election reform passed since 1974 made Canadian political parties "a closed shop," and regulations made it increasingly difficult for new parties to become established. As well, he contended that the public's ability to make issues is limited when the agenda is determined solely by the three parties. Added Hunter: "There is not a more important period in a democracy than the election period. The parties in Parliament, in their collective wisdom, have determined that we should only hear their side of the story. So much for democracy. So much for democratic rights and freedoms."

McKeown ruled that a test of freedom of expression is a society in whether it can tolerate criticism of its fundamental values and institutions. But the justice. "There is no reason to doubt that many other are not adequate reasons for imposing a limitation." His remarks were supported by numerous newspapers. The *Calgary Herald* declared that McKeown did what the politicians refused to do—"He has reversed Canada's democratic system from a noxious restriction." The *Globe and Mail* of Toronto said that even if the government lodged an appeal, it would be "foolish" to try to enforce the law during the next election. Indeed, even if there is an appeal the NCC said that it will join the next election campaign. A spokesman added that the organization will make its demands that Ottawa sell off Petro-Canada and other Crown corporations, enrich the right to provide property in the Charter, increase the federal budget, remove fully indexed pensions for members of Parliament, and install more democracy in the workplace. Said Brown: "We will do our lot to bring back memories of what has been going on in Canada during the last 18 years."

And NCC officials are already at work designing new, if feasible, newspaper ads to

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Address

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**LONGER TIME SAVINGS!**

☐ Maclean's 1987/78 for \$15.00 send light when I pay

**PRIORITY SERVICES**

☐ I receive 1987/78 with my Reading Light for free!

922814 \*Not the best deal of all but very close! 922814

# The Pope and a rumble of discontent

By Susan Riley

More than any other pope in history, John Paul II has carried his message directly to the world's Roman Catholics. But last week that message was clearly an excommunication among some church members. Only two months before his cross-Canada visit, from Sept. 9 to Sept. 20, a group of leading Catholic theologians released a strongly worded statement that criticized the Vatican for trying to discredit and silence the proponents of liberation theology—a blend of Marxist analysis and Christian principles that originated in Latin America but has since been embraced by leftists and feminists throughout the church.

The 10-member group, known as the Comelium, includes University of Toronto theologian Gregory Baum and West Germany's Rev. Hans Küng, the church's most famous theological rebel. Baum stressed that the Comelium's comments were not aimed directly at Pope John Paul II but at the recent Vatican tendency to make concessions "to powerful and reactionary neo-conservative forces that are opposed to liberation theology." Still, theologians widely interpreted the statement as a major challenge to John Paul's papacy. And recent similar criticisms from Canadian Catholics indicate that there may be additional challenges.

Last month, four Quebec priests from the diocese of Saint-Jean-Longueuil, near Montreal, declared that they would not attend the large papal mass scheduled for Sept. 11 in Montreal's Jarry Park. The bishops, they declared, was designed to protect the Pope's refusal to allow women or married men to become priests. In Ottawa, Archbishop Joseph-Armand Falardeau sent a letter (later obtained by The Citizen) in which he said the priests in 114 parishes in which he criticized them for what he said was their lacklustre fundraising efforts as well as the attitude of the papal visit. In White Plains, "I march a certain amount of indifference on the part of the clergy toward this visit."

And in May a loose alliance of Catholic women from Quebec published a declaration in an advertisement in the Montreal



Baum, critic of the Vatican's policy on liberation theology

newspaper Le Devoir calling on Rome to open the church more to women on the eve of the papal visit. The declaration carried 1,750 signatures.

Still, the Comelium's statement is expected to have the greatest impact in Rome. Known as the Vatican's "lay opposition," the group of liberal theologians meets once a year and publishes regular critiques of church policy. In Montreal last month members replied directly to a recent attack on liberation theology by Joseph Cardinal Ringuette, prefect of the Vatican's Congregation for the Doctrine of the Faith, by expressing solidarity with Third World

liberation movements and rejecting "the suspicions and unjust criticisms" of such groups. Baum said in an interview that John Paul, unlike Ratzinger, "has been very supportive of liberation theology" and that while the Pope is in Canada he will follow the "progressive example" set by a group of eight Catholic bishops who touched off a national debate in January, 1983, with a radical critique of the problems of the Canadian economy.

Not all theologians are so optimistic. In Toronto last month Hans Küng said that papal visits—during which the Pope usually delivers speeches prepared weeks in advance to huge crowds—are designed to avoid real dialogue. He said John Paul has met with athletes and Communists, but "there are two kinds of people he does not receive: actual Catholic theologians and critical nuns."

The Vatican has ruled that women may not assist priests while they say mass and that they can only distribute communion when as nuns are available. But many parish priests in Canada ignore the rules, and women often dispute communion and serve as altar servers as assistants. To avoid papal displeasure, church officials in the cities on John Paul's Canadian tour are expected to ensure that women do not serve on altars in papal masses. Still, they will be allowed to distribute communion to the thousands of people at the ceremonies.

Despite the compromise, the rift will probably remain some. Next weekend in Toronto, at the second conference of the Canadian Catholics for Women's Ordination, about 60 men were discussed the possibility of alternative celebrations during the Pope's tour, vigils and prayer demonstrations. Next conference organizer Rosemary Cooke, 58, a lay Catholic with a master's degree in theology, "We are hoping that by holding the rights when he is here, Catholics—and other Christians—will start to question the way the church treats women."

Pope John Paul II: challenge



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# Inventions in hot pop

WHOMANPOURSAYS  
Dabbello  
(Capitol)

From the ecstatically primitive portrait on the album's jacket to the saturated sounds inside, *Whomanpoursays* is a daring album. The recording, Toronto-

born Lisa Dabbello's first in three years, signals a dramatic departure from the singer's carefree pop style. Part of the credit must go to her musical partnership with pianist-producer Mick Ronson (David Bowie, The Paycock) But Dabbello, as she now calls herself, has obviously undergone a profound person-

al metamorphosis as well. Inspired love songs have given way to complex, unsettling pieces about passion, doubt and doubt. On the lumpy *Goons Get Close* to You she sings about wishing her romantic guy "like a hungry animal," while on *Assured* she is "drunk with surgery." Dabbello's emotional vocals range from fast whistles to pleading sobs, and the music's dense textures complement hers with swirling synthesizers and stark percussion. At times some of her vocals are too dark and introspective, but the daring, thoughtful *Whomanpoursays* confirms Dabbello's stunning creative growth.

MOUTH OF STEEL  
King Record Boy  
(Rings Planet/WEA)

*Mouth of Steel* marks the return of Canada's legendary bluesman King Record Boy to recording after an unfortunate 10-year absence. Record, also known as Richard Newell, of Hamilton, Ont., apprenticed with Kemper Botkin (Chicago) and served with the Canadian blues band Cowboy before striking out on his own. The confident comeback album ably showcases his gritty voice and powerful harmonica style. The piano lounge of *Route 99* and the Latin-tinged instrumental *Necromancers* display his considerable talents and those of his stellar session players. The album's real gem is *Done Everything I Can*, on which Record bends harmonica notes as soulfully as he crooners his own gravelly vocals. *Mouth of Steel* demonstrates enough intense emotion to soothe King Record Boy's claims to the throne of Canadian blues.

GOING FOR BROKE  
Eddy Grant  
(Polygram/CBS)

With last year's Caribbean crossover album *Killer on the Loose*, Guyanese-born Eddy Grant proved he could create a successful solo album by working alone in his Barbados studio. Grant wrote, arranged and produced every song on this album, including the gritty hit single *Kilnfire Avenue*, and played all the instruments as well. But his follow-up album, *Going for Broke*, suggests that he is now suffering from artistic isolation. The cross-styled rump of *Only Heaven Knows* and the somewhat ballad *How Many Seasons* are content and impossibly idyllic techniques, while an irritating, incoherent extraneous mure the eagerly rocking *Remember the Stone*, which he wrote for the recent film of the same name. It is time for Eddy Grant to seek the objective ear of another producer.

—NICHOLAS FRODOGOS

## MUSIC

# The intoxicating power of beauty

When the month-long, \$9.95-million Toronto International Festival closed last week, it left memories of great performances to fade the flowers after a ball. Still, a legacy of specially commissioned productions by Canadian composers and music and dance companies will survive the ephemeral extravaganza. The most costly and ambitious was last week's \$600,000 Canadian premiere by the Canadian Opera Company (COC) of Benjamin Britten's 1973 one-act opera *Death in Venice*. The COC Radio recorded the performance and will broadcast it across Canada on Nov. 24. *Death in Venice* was chosen as the high point of the glowering festival, which also featured New York's Metropolitan Opera and The Hamburg Ballet. The event offered Canadians an opportunity to perform in an arena with the world's finest, and the COC met the challenge with distinction.

*Death in Venice*, the last opera that the great British composer wrote before he died in 1968, is a formidable challenge. Based on the 1918 novella by Thomas Mann, it is a semi-abstract, veiled work which contains little conventional action. Instead, it takes place largely in the mind of the central character, Gustav von Aschenbach, a distinguished middle-aged German writer who travels to Venice hoping to refresh his tired imagination. There, the rigid, upright intellectual, who has long battled sensuality and spontaneous emotion from his life and work, falls under the spell of a beautiful, polio-stricken Polish boy, Tadzio. Gradually, he disintegrates under the strain of his obsession and succumbs to a cholera outbreak in the city.

The work operates on many levels as a tale of repressed homosexual lust, of age longing for lost youth and of the symbolic struggle between the passionate Dionysian and the rational Apollonian principles in life and art. Tadzio's beauty is 1920s in style, as is Mann's story for a decadent interpretation, but Britten followed Mann's example in making a clear line between reality and myth. The COC production preserved that delicate balance, neither descend-

ing to stark Marleneau nor dissolving to airy abstraction. The final scene, in which Aschenbach collapses in his bath chair while the oblivious, golden-haired youth posits outside in the sea, represents both the death of a degraded man and the expression of an artistic ideal that Dionysus, the god of passion, ultimately will destroy those who feast on it.

The success of *Death in Venice* is heavily dependent on Aschenbach, who is on stage most of the time. American tenor Kenneth Riegel commanded attention in the demanding part with the purity and power of his voice, but his characterization was uneven. At the start of the opera, Aschenbach should radiate dignity and self-possession, but

composer conceals the world of Tadzio, who never speaks in the opera, in sparkling music refrains and dance. As the "mortal child with more than mortal grace," American dancer Jeffrey Edwards, 15, seemed too old for the part. Strutting with his nose pointed haughtily into the air, he lacked the aura of innocence and remoteness that should still cling to Tadzio. But when he performed Australian director Murray's graceful, sensuous choreography, he gave credence to Aschenbach's visceral desire.

William Skalko's intricate sets and Susan Bennett's elegant costumes played a pivotal part in sustaining the lyrical mood. Images projected onto the backdrop and rapidly shifting sets ac-



Demise in *Death in Venice*: a middle-aged man's obsession with a sensual, polio-stricken boy

commodated the opera's numerous scene changes with the seamless fluidity of a dream. Like a series of Impressionist paintings, they offered potent visual translations of Britten's leitmotif: obsessive love, the crisp outline of a black gondola moving through the lagoon, the gleaming splendor of the Venetian canals, the swish of pale glimmering gowns and lost persons against the iridescent color-washed sky at the beach. With sheer dexterity to dance both eye and ear, *Death in Venice* proved a spellbinding tribute to beauty's intoxicating power.

—GAILAN MCGILGAY

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Skvorecky: a literary agent who tells the truth in defiance of ideology

## BOOKS

# The rebel artist in exile

By Mark Gurnacki

**T**housands of exiles from around the world contribute to Canada's cultural mosaic, but few are as illustrious as the Czech-born writer Josef Skvorecky. A literary giant whose works won him a Nobel Prize nomination in 1982, Skvorecky is relatively unknown in his adopted land. This obscurity is about to end. Last week Skvorecky's major work, *The Engineer of Human Souls*, a semi-autobiographical epic based on his life in Czechoslovakia and Canada from 1949 to 1976—finally appeared in English translation. Publisher Windy declared, "The one who once about modern literature should miss this extraordinary work." In North America the publication of *Engineer* was a major literary event. But in Czechoslovakia the government press ignored it.

Skvorecky's crime in telling the truth in his first novel, *The Goats*, published in 1968, outraged the Czech Communist regime with its autobiographical portrait of a young man who, even during the Second World War, refuses to give up jazz and dressing about girls. Angered over dwell on his political problems in his ironic, generous portraits of his under Nazi and Communist domination. But like all Skvorecky's works, the book's celebration of love, friendship and the unfettered imagination readily

explains why the Czech Communist state Skvorecky—and why he has been a whispered household word behind the Iron Curtain for decades. *Josef Skvorecky*, a Czech-born writer living in Toronto who has known Skvorecky for 26 years, said, "He was here in our days and a superb writer as well. This impact of *The Goats* was like that of J.D. Salinger's *The Catcher in the Rye*."

Although Skvorecky has not visited Czechoslovakia for 16 years, he has remained faithful to his native culture. "You write for yourself and your community," he said. "A writer who writes for an international audience is a nobody." Indeed, Skvorecky is a one-man Czech cultural industry. In addition to 39 novels, 18 collections of shorter prose and 18 translations into Czech, he has published film scripts, essays and countless articles. Czech-born author Peter C. Newman said, "Skvorecky shows that in a mad world it is still possible to have acts of individual affirmation and personal courage instead of mass hysteria."

Skvorecky has based much of his prolific output on an eventful life. He was born in 1904 in Naubok, a small town in Bohemia, the son of an attorney and a book clerk. After working in a wire factory he acquired a doctorate in philosophy from Prague university in 1928, when Czech authorities banned *The Goats*, they fired Skvorecky along

with several other editors at the government-owned publishing house involved in its publication. A virtual émigré of the state, he worked underground until he fled to publish again and also wrote scripts with the consent of the Czech New Wave, including Milan Forman.

After leaving Czechoslovakia in early 1968, Skvorecky gave guest lectures in the United States before becoming a professor of English and film studies at the University of Toronto. Still, his fascination with all things Czech continues. In two weeks he will publish a new novel in Czech, *Silence*, an exploration, about the visit of Czech composer Antonín Dvořák to the United States in the 1890s. And already he is researching his next novel about the Czech mercenaries whom a U.S. Civil War general employed as his private bodyguards.

Sitting in his apartment living room, the portly, silver-haired writer exudes a profound calm which belies his veritable lifestyle. As well as writing, teaching and public speaking, he helps his wife, Zdenka, run a one-volume Czech-language publishing company called 66 Publishers. Since 1971 they have published 110 titles of Czech Communist-banned dissidents still living in Czechoslovakia. Most orders amount for most of the distribution, but specially fitted cars also smuggle their books into Czechoslovakia. Skvorecky considers the publishing company his most important cause, saying, "So as the Czech nation is simply the Czech culture."

Skvorecky's other crusade is for freedom of speech, especially in Communist countries. Said Linan, "Skvorecky's political action has character. He is a very moral person, very strict with himself." As for Canada, he readily admits knowing little about its literature, culture or politics. Rosemary Sullivan, professor of English at U of T and a friend of Skvorecky's, said, "The most laughable such a doom over Josef. Although he loves Canada, he does not understand the dilemmas of Canadian writers."

But Canada has not just been another poem in love for Skvorecky. Presumably, his writing career began at the age of 10 when he attempted to complete an unfinished trilogy by the early 20th-century American writer James Oliver Currier. And *Engineer* presents a detailed, compassionate portrait of a society in which he says he has no fear. "The knock on the door at 4 in the morning." At the gala launch of *Engineer* last week Skvorecky hoped that instead of being a Czech writer living in Canada, he would be known as a Canadian writer in Czech. That wish may not come true for an avowed cultural patriot like Skvorecky. But the grand award of Skvorecky's art ultimately makes all such labels irrelevant. □

## An epic of humor and honor

THE ENGINEER OF HUMAN SOULS  
By Josef Skvorecky  
(Lester & Orson, Toronto,  
\$21 paper, \$29.95)

**S**ince he fled his native Czechoslovakia in 1968, Toronto resident Josef Skvorecky, 69, has established himself as an author of international distinction. He is best-known for two funny, yet profoundly serious novels of his experiences in Czechoslovakia under the Nazi occupation, *The Goat* (Scepter, 1977) and *The Goats* (1978). These books centered on Josef Skvorecky, a student and pure musician who was almost an altar boy of the author. In *The Engineer of Human Souls*—a long novel first published in 1977 by Czech by the Toronto-based 66 Publishers—Skvorecky again uses Skvorecky to offer astute observations on his beleaguered country and to attack their Communist enemies. Skvorecky now lives in exile in Canada, where he celebrates his realizations, knowing that only they can keep his imagination alive. His mastery's touch of art and character and his delicate portrayal of past and present give the reader, at times bewildering, but always intriguing novel an almost epic scope.

*Engineer* is Skvorecky's most ambitious book. Its tempo-in-check subtitle "An examination of the old themes of life, women, fate, dreams, the working class, secret agents, love and

death"—suggests both the novel's vastness and its intricacy. While describing Skvorecky's life and acquaintances over three decades, the author repeats a philosophical philosophy. Instead, the author jumps quickly from vivid scenes of Skvorecky's adolescent love for Nudka, a beauty girl, to his experiences as a Prague intellectual, to his Canadian exile. Early on, Skvorecky describes a passage of literature as "baroque complex, and therefore truthful and precise." The same phrase could apply to *Engineer*. The novel stands as a ironic rejoinder to Soviet dictator Joseph Stalin's group—quoted on the book's first page—that such novels should serve as "an epitaph of human souls." Skvorecky professes a different function: that of witness to complex truths.

*Engineer's* strengths go far beyond the evocative tones of Skvorecky's prose books, particularly when it traces the gradual disillusionment of Czech intellectuals who initially supported the Communist regime in Prague. Skvorecky is equally adept at revealing the anguish among Czechs in exile. Although many Toronto Czechs may take his descriptions of their community, named in alcoholic bars and political fantasies, as a betrayal, Skvorecky's au-

thors contains a strong infusion of love. Still, the humor he aims at others makes a jarring contrast to his own calm, complacent attitude to his fictional self. Skvorecky attains a stream of clever statements that makes everyone else look like simpletons. As well, the book's North American characters tend to be flat and unconvincing beside his Czechs and its praise of Canada's tolerance and openness seems at odds with its sarcasm about the country's native-born inhabitants. One of the heroes, a young Czech exile in Toronto, denounces the moral consciousness of Canadians as shallow rearmament to intellectual fashion, implying that it is an affection to care about any issue other than communism.

At such moments, the novel puts at risk the vital balance between humor and angry seriousness, which constitutes its power. While Skvorecky states that "the slowness of time transforms everything into comedy"—and, indeed, his descriptions of the Nazi occupation are often risibly comic—his treatment of the Communists reveals only rage and disillusionment. But for the most part, the novel carries home with a passionate concern for truth and freedom. That commitment offsets the sprawling book. Whatever the biases of Skvorecky's prose, commentators, they do not ultimately detract from the humor and force of his testimony. —MARK ARLEY

## MACLEAN'S BEST-SELLER LIST

### Fiction

- 1 *The Appleton Progress*, Ludlow (2)
- 2 *The Day*, Ovi (3)
- 3 *Beetles in the Sun*, Herbert (3)
- 4 *Full Circle*, Davis (4)
- 5 *The Waking Dream*, J. H. H. (4)
- 6 *The Legend of the White Horse*, Smith (5)
- 7 *Elkwood*, Veld (5)
- 8 *Pinkish*, Mott (5)
- 9 *The New Kid Williams*, Williams (5)
- 10 *Lord of the Dunes*, Givens (7)

### Nonfiction

- 1 *Vancouver*, Jones (2)
- 2 *Ben and Dorothy*, Goss (3)
- 3 *But to Win*, Shaw (3)
- 4 *The March of Folly*, Parkman (3)
- 5 *Overland*, Hottel (3)
- 6 *Silky Visions*, Goss (3)
- 7 *The Game*, Givens (3)
- 8 *John's Short Life and Part Times* of Wilson, Hottel (3)
- 9 *How Short Life*, Givens (3)
- 10 *Paul Langford*, Cohen (3)

(1) Fiction best seller

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# A night of nostalgia in Ottawa

By Allan Fotheringham

Senator Len Sheldar, the craggy veteran of civic corporate wars, stared around in disbelief. Writing beds in the night of the bodies was the retiring Prime Minister of Canada, surrounded by noble ministers. Twenty young men, almost as bare as the railway gangs who poured tea in the sun-drenched Sheldar's old railway, panted around as if they were eagerly creating an ear-numbing cacophony. Sheldar, in his usual rumpled dark suit, gave all the appearance of a Martin who had arrived on Kutch and was observing some strange tribal rite. He seemed to be wondering, "Is this what has been going on in the world while I've been in the band-rooms?" It is the first visit, one can safely say, of Senator Len Sheldar, formerly the highest-paid heavy better in Canadian business, to Arnold's ("Ottawa's Original Nite Spot of Rock 'N' Roll").

This is one of the more remarkable Ottawa parties in some years, thrown for himself by Tom Anworthy, the goatee-headed wit from Winnipeg who was Pierre Trudeau's principal secretary and is being swept out by the new broom of blue-eyed John Tarnas. Anworthy invited several hundred of his closest friends and enemies to an evening of "cigarette, cigarette, beer, rock 'n' roll." Whereas puritans in a city where the word "services" don't look out the window in the morning because they want to save their work for the afternoon, said it a solid 8:00 on the wild and crazy fun level.

The evening was significant for the setting and for the cast. Arnold's is a grungy rock palace dedicated to the belief that the 1990s never died. Paled posters of forgotten adolescent idols decorate the walls. The band is one of those with graced, heavy brows, dark glasses and grained hair, giving the impression that the boys had just woken up from the napper shop and picked up their amplified mano-bashers. Anworthy, a great man for themes and a shameless nostalgia freak, was signalling the end

Allan Fotheringham is a columnist for Southern Home.

of an era in Coma City. He is off to Harvard to teach, now with a new baby who arrived the same week as new boy/respected boy Turner. One columnist is soon to move to Washington. Another is going to London. Late in the night a note young man, visiting from Vancouver, stared in wonderment as the guy from the TV screens called Trudeau boogied with a berry of supplicants, the penance of 1984 providing a farewell glimpse of 1988.

There is one more beautiful thing out of Winnipeg (and two of them are here tonight), but Sheldar with his trailing

feet. This illustrates the old Dr. Fort Cherry that politicians of whatever stripe (and their tentacles in the press) are much like the guards and the inmates in a penitentiary: they in fact have more in common than either side has with the public at large.

The rock joint seethes with gossip, the standard fare (I wondered) that keeps Kato-on-the-Rocks going. It is apparently felt that your agent, through obscure sentence structure, has in a recent column linked boy Turner with John Smith and Mike Hunter with the ordinary, garden-variety diversions that

speckle Vancouver's posh Quads riding I have never met Smith and would not know him if I found him in my soup, but Hunter is an old buddy, a colleague in the nasty art of journalism long ago before he decided to enter law work as a lawyer. No star was meant to attach to them and, if they and their dear ones were offended, my usual humble apologies are proffered. Smith will be an Ottawa fixture but Hunter, wife has a good memory and remembers Ottawa's stoned charms from when he was a Turner executive assistant. Then Vancouver and is trying to recall Turner's heavy presence to

relieve, if wish, he will continue to

remit. Everyone wants to know the real identity of the disguised "parliamentarian" lower that Shirley MacLaine discovered in her new book. Trudeau, who undoubtedly has never heard of Thing George, dances to the gender-bender theme song *Karma Chameleon* and, on leaving, takes off his rose and puts it on the left breast of anti-parties guest Mimi Ralston. We are asked to sing in poppers and peanut shells, the muscular band that could try out for the Olympic weightlifting team now so deep in 1990s neurosis that Anworthy thinks he has died and goes to a Jerry Lee Lewis heaven. The crowd, both an opponent, mixed with a Liberal leadership have and soaked out of its mind with exuberant speculation boredom, tries to dance away both the night and the end of an era. Fittingly, grungy old Arnold's will be torn down next month to make way for yet another starch office tower. Life imitates architecture.



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